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ABSTRACT

This curriculum guide for consumer and family economics is one of a number of guides developed for use in vocational home economics education in Texas. Introductory materials address use of the guide and list the essential elements upon which the content is based. The guide is divided into seven units: family economics, consumers in the economy, role of government, consumer purchasing and consumer assertiveness, obtaining income, protecting family economic security, and consumer careers. Each unit lists competencies and subcompetencies at the beginning of the section. Concepts related to the competencies are listed in the right-hand columns. Learning and evaluation experiences are found in the left-hand columns. Teaching aids keyed to learning and evaluation experiences--including transparency masters, activities, and exercises--are located at the end of the guide. Designations have been used in the content for (1) developing skills within the Texas Common Elements for all vocational education; (2) applying basic/academic skills; and (3) developing critical thinking skills. Key points for content discussion and review are also indicated. A 10-item reference list is appended. (YLB)

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CONSUMER AND FAMILY ECONOMICS

VOCATIONAL HOME ECONOMICS EDUCATION

TEXAS EDUCATION AGENCY

AUSTIN, TEXAS

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CONSUMER AND FAMILY ECONOMICS

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CONSUMER AND FAMILY ECONOMICS

Consumer and Family Economics is one of fifteen curriculum guides developed for use in vocational home economics education in Texas. Additional guides are available in the areas of: Occupational Home Economics, Adult Education, and Post -Secondary Education.

Content of the Guide

Each subject guide is written to the teacher and is correlated closely with the Essential Elements prescribed by the State Board of Education in Texas Administrative Code 75.50b (7th and 8th grade) and 75.81a (common) thru 75.83-75.84 (vocational home economics). Content for each subject field is based on the Essential Elements.

Competencies and sub-competencies are listed at the beginning of each section. Competencies include the knowledge, skills, effective behavior and/or judgement needed by persons interested in home economics occupational areas. Concepts related to the competencies are listed in the right columns. Teaching Aids keyed to learning and evaluation experiences are located at the end of the guide. Designations have been used in the content for developing skills within the Common Elements for all vocational educational [C], applying basic/academic skills [B], and developing critical thinking skills [CRITICAL QUESTION]. Key points for content discussion and review are indicated as [KEY QUESTIONS].

How to Use the Guide

The subject area guides are designed to follow the Essential Elements and to aid the teacher in identifying the concerns of seventh to twelfth grade students. Particular care has been taken to provide age appropriate concepts and activities. Teachers will need to exercise judgement, initiative, imagination, and creativity in working cooperatively with students, parents, school administrators, and local advisory council members to develop a local program that will serve the students enrolled in vocational home economics education. The subject area guides are intended to guide, not dictate, the content.

TEACHERS SHOULD NOT EXPECT TO USE ALL OF THE SUGGESTED EXPERIENCES IN ONE CLASS NOR FEEL THAT ALL ARE NEEDED TO TEACH ONE ESSENTIAL ELEMENT (WHICH INCLUDES THE COMPETENCY AND SUB-COMPETENCIES). The variety of experiences included should enable teachers to select and use those teaching-learning experiences that will help students reach the objectives. Many experiences can easily be adapted for use in student occupational experience projects, educational projects of the local Future Homemaker of America Chapter, or adult education.

An excellent source for information on teaching the disabled or handicapped is the book, *Guide to Teaching Special Needs Students.*

CONSUMER AND FAMILY ECONOMICS ESSENTIAL ELEMENTS

Consumer and Family Economics includes the following essential elements:

1. Concepts and skills related to family economics. The student has opportunities to:

   A. Relate the family life cycle to family economics
   B. Analyze the relationship of family financial behavior and personal priorities and goals
   C. Relate the decision-making process to financial planning
   D. Describe an effective spending plan and record keeping system
   E. Relate personal spending patterns to external economic influences and outcomes

2. Concepts and skills related to consumers in the economy. The student has opportunities to:

   A. List characteristics of a free enterprise system
   B. Explain how the American market system functions
   C. Determine the role of competition and profit incentives in business
   D. Relate the business cycle to economic conditions
   E. Explain the influence of national trade on the family

3. Concepts and skills related to the role of government. The student has opportunities to:

   A. Describe the role of government in the American economy
   B. Identify local, state, and national government services and legislation affecting the family as consumers
   C. Summarize the concept of *opportunity costs* in relation to tax responsibilities and government regulations

4. Concepts and skills related to consumer purchasing and assertiveness. The student has opportunities to:

   A. Evaluate factors that influence consumer purchases of goods and services
   B. Identify guidelines for consumer purchasing
   C. Describe the rights and responsibilities of consumers
   D. Outline ways to protect against fraudulent and deceptive practices

5. Concepts and skills related to obtaining income. The student has opportunities to:

   A. Identify methods of and influences on obtaining income
   B. Analyze the psychological aspects of money
   C. Compare sources and costs of credit
   D. Describe responsible use of credit

6. Concepts and skills related to protecting family economic security. The student has opportunities to:

   A. Explain the functions, types, and services of financial institutions
   B. Identify saving and investment opportunities
   C. Relate insurance types to family needs
   D. Explain the relationship between Social Security and family financial security

7. Concepts and skills related to consumer careers. The student has opportunities to:

   A. Describe occupational opportunities and preparation requirements for careers in consumer and family economics
   B. Identify entrepreneurial opportunities in careers related to consumer and family economics

CONSUMER AND FAMILY ECONOMICS
UNIT I

COMPETENCY: *Assess individual and family situations in relation to family economics.*

SUB-COMPETENCIES: *Relate the family life cycle to family economics.*

Analyze the relationship of family financial behavior and personal priorities and goals.

Relate the decision-making process to financial planning.

Describe an effective spending plan and record keeping system.

Relate personal spending patterns to external economic influences and outcomes.

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
Introduction: Consumer and Family Economics	Discuss the concept of *Consumer and Family Economics*. Ask students to use classroom references and dictionaries to define the term, *consumer economics*. Their definitions may be similar to: the production, distribution, and consumption of goods and services, or as the process by which families and individuals make and spend their incomes. Relate the family to consumer economics. Explain that the main objective of *Consumer and Family Economics* is to prepare students for effective decision making and responsible citizenship. Point out that most individuals during their lives face economic situations such as responsibilities and actions at home, in the work place, unions, and organizations; voting in elections; and other consumer activities of producing, consuming, saving, spending, and investing. Discuss how *Consumer and Family Economics* can give individuals a better understanding of the world in which they live, as well as contribute to family stability and happiness as students establish homes and begin the family life cycle. KEY QUESTIONS: What is *Consumer and Family Economics* ? How do students see *Consumer and Family Economics* influencing their life at the present time? in the future?
I. Family economics A. Family life cycle related to family economics	Lead students in a class discussion on the family life cycle. Ask students to use classroom and library references to find a definition of *family life cycle*. A possible definition: ordered stages of family's and individual's growth.[B] Have students view Teaching Aid 1 showing the various stages of the family life cycle. Also use the overlay on Teaching Aid 2 to

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[B] = Basic Skill Reinforcement

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
	discuss the characteristics of each stage. You may want to point out in class discussion that various authors have broken down the family life cycle into different numbers of stages. The teaching aid shows the breakdown: beginning, expanding, launching, middle age, and old age. It also presents the broader break down: beginning, expanding, and contracting. Discuss how with today's marriages, divorces, and remarriages some families are overlapping the stages of the family life cycle and may be in more than one stage at the same time. Include discussion on how the family life cycle has been affected by dual-career families, different goals and priorities of society, rising divorce rate, unmarried and re-married individuals, and single parenting. Point out that only three factors disrupt the family life cycle: separation, divorce, and death. Discuss the stages of the family life cycle and the decisions usually made at each one. Key questions are also included for the stages of the family life cycle. Discussion should include:
1. Beginning family (Stage 1)	Decisions made at this stage of the life cycle include career decisions, amount of income needed, and standard of living desired. KEY QUESTIONS: What are pros and cons of dual-wage earning couples? How are household tasks divided in dual-wage learning couples? What are ways of handling two career families? What services would have to be bought if both spouses work outside the home?
2. Expanding family (Stages 2-6)	Decisions made at this stage of the life cycle include timing of children, environment needed for children, care for children, opportunity costs (what is given up) by having children, needs of parents and children, and education costs for children. KEY QUESTIONS: What are the pros and cons of having children? What do parents sacrifice for their children? What benefits do parents receive from their children? What are the economic costs of having children? What environmental needs will increase in this stage? (Examples include housing, space, food, clothing, education, medical care, utilities, and furnishings). When do these spending habits increase again? (An example is when children reach adolescence). When is there the most need for educational payments? (Examples occur in adolescence through launching--stages 5 and 6). What are the opportunity costs and benefits of the launching stage for the parents and their adult offspring? How do circumstances such as divorce or death affect the family life cycle in the expanding stage?
3. Contracting family (Stages 7 and 8)	Decisions made during this stage of the life cycle include time of retirement, re-evaluate housing needs, health care, travel and recreational opportunities, money management, savings for

retirement years, and wills. KEY QUESTIONS: What uncertainties do families face at this period? (Examples include: income, health, death, living conditions, and outside services). Why does the fact that there are 1/3 more elderly women than elderly men in the United States present a problem? (One example allows for the fact that these widowed or divorced elderly women often have little economic security such as savings, investments, or insurance. They often live on a small income, near or at the poverty level). What alternatives are available for families to prevent poverty at old age? (Examples include: pension plans, Social Security, health insurance, and investments). What are the roles of social security, medicare and medicaid?

Have students listen to a panel of individuals or couples representing different stages in the life cycle. Representatives of couples in which the wife is a wage earner should be included in the panel. Ask the panel to discuss ways different stages in the life cycle affect demands on the time and money of the family members. KEY QUESTIONS: How is it possible for families to be in several stages of the family life cycle at the same time? Is the life cycle the same for all families? How can families provide for their own welfare in each stage? How does society help families provide for their needs and wants?

Have students select four stages of the life cycle to research using classroom and library resources. Ask students to interview four individuals representing the four stages of the life cycle. Have students write a report summarizing their research and interviews. The report should include: brief definitions of each stage, where the individual is now, how the stages have affected their family, the longest and shortest stages, and the economic factors to consider in each stage. In addition to their reports, have students prepare an oral presentation using visuals to depict where the four individuals are in the life cycle.[B]

B. Relationship of family financial behavior and personal priorities and goals
   1. Family financial behavior

Have students view Teaching Aid 3 to discuss and compare the financial behavior or lifestyles of families. Point out the following:

SELF-DISCIPLINED PLANNER:

* Plans spending to meet long-range goals
* Shops only to buy needed items
* Pays bills before spending money elsewhere
* Plans for small allowance of "fun" money each month for surprise costs
* Sets up savings account

[B] = Basic Skill Reinforcement

IMPULSIVE SHOPPER:

* Gets detoured by immediate wants
* Shops for recreation
* Overspends on extra items and doesn't leave enough money for bills
* Never has any money left to start a savings account

KEY QUESTIONS: Which type of financial behavior do individuals exhibit? How might an individual show some signs of both types of behavior? Which type of behavior helps to make goals attainable? How might the financial behavior of one family member affect the rest of the family's goals?

Write the following areas of financial goals on the chalkboard:

* Security
* Lifestyle
* Environment/housing
* Educational level
* Job skills/training
* Health
* Job choice/occupation/income
* Activity in community
* Home management and family relations
* Retirement considerations

Have students work in small groups. Assign each group the task of writing a character sketch about an individual or family's financial behavior. Instruct students to include a goal for each of the categories listed on the chalkboard. The groups should also determine the type of financial behavior necessary to reach goals in the character sketch. Groups can present their character sketches to the class. KEY QUESTIONS: Are the goals and behaviors compatible? incompatible? Why? Are the goals realistic?[B]

Have students view Teaching Aid 4 to reinforce the relationship between family goals, behaviors, and planning. Discuss the effect of financial behaviors on goal setting and planning. Explain how self-evaluation helps to ensure that behaviors are on target with goals and plans. Discuss how goals and plans should influence behaviors more than behaviors influence goals and plans. Point out that the reasons for this include: better chance of reaching goals, better spending habits, savings, sufficient money for necessities, etc. Discuss how financial behavior differs among families and individuals, and how they have different ways of

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[B] = Basic Skill Reinforcement

handling their money. Point out that although no one way is right for all persons, there are some ways that give more satisfactory results than others. The result to aim for is to be able to reach family goals with the resources which are available. Ask students to discuss some of the ways people live with money and their financial behavior:

Live from day to day – "When we have money we spend it and then get along as best we can until we have some again."

Live from paycheck to paycheck – "We use up all the money as we get it and by the next payday have nothing left, nothing to show for the money, and nothing that brings us close to our goals."

Live "in the red" – "We spend more than we earn by purchasing too many things on credit."

Live creatively – "We plan the use of our income and resources so most of our goals can be met."

KEY QUESTIONS: What is meant by the saying "Financial goal setting is a rather sobering piece of family business"? What is considered effective or successful financial management for a family? What causes problems in reaching a family's financial goal? What effect may a family's financial behavior have on their life style? on attaining their goals?

2. Personal priorities and goals

Ask each student to write a definition of the words: *priority* and *value*. Have students work in small groups to compare, combine, and create a group definition. Ask students to share definitions with class. Possible definitions would include the beliefs in what is most important, best, or beautiful to the individual. Point out that priorities and values guide actions in the things people do, and the choices people make. Discuss priorities and values as things which people consider important, base ideals and principles on, can change, use to sort out information, use to make decisions, live by, choose freely, cherish, and repeatedly act upon. KEY QUESTIONS: Where do people get their personal priorities? What factors influence priorities? Why do people need to recognize their priorities? Can priorities be changed? Should people impose their personal priorities on others? Explain. Identify examples of major American priorities.

How do personal priorities relate to life styles? Do the personal priorities of individuals and families change in different situations? Give examples.[B]

[B] = Basic Skill Reinforcement

Have students participate in priority clarification by completing the following sentences:

* On weekends, I like to....
* If I had $25,000 I would....
* If I had one day to live, I would....
* I like people who....
* People upset me who....
* My children will never have to ....
* If I had Aladdin's lamp, I would wish for....
* If I had two weeks to spend anyway I wanted, I would....
* I feel best when....
* The hardest thing for me to do is....[B]

Discuss the answers in order for students to explain answers and to answer other students' questions. KEY QUESTION: How do answers to unfinished sentences reflect personal priorities?[B]

Two alternatives for personal priority clarification activities

IALAC Game (I Am Lovable and Capable) – Prepare small gingerbread persons from construction paper. Pin one on each student. Explain that whenever anyone says anything that hurts them, they are to tear off part of the figure. They are to tear off any amount that shows how much the statement hurt their feelings. When anyone says something nice to the student, they can tape a piece back on. At the end of the time period, have students look at the paper figures. Discuss what this experience tells each student about their personal priorities, especially how much they value the feelings and opinions of others.

What's in Your Wallet/Purse? Ask students to take out two or three items from their wallet, purse, or notebook that expresses something they value. Ask the students to think about what the items mean to them and why they have the items. Briefly discuss the items and personal priorities selected by students. Point out any common priorities identified.

Have students list ten priorities, draw illustrations to create a bulletin board representing their priorities. Ask students to rank the priorities in order of importance for most Americans. Have students compare lists and rankings of priorities. Note and discuss differences. KEY QUESTIONS: Are priorities of teenagers different from those of their family? If so, how and why do you think these different priorities developed? How are the priorities of

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[B] = Basic Skill Reinforcement

today's student different from those of students one, three, or five years ago? Why have these changed?

Lead a class discussion on how families determine personal priorities and philosophies of what is important in their lives. Identify some priorities that are important to families. Have the class give suggestions as to why these priorities are important. Some priorities commonly held by American society today are freedom, citizenship, health, and religion. As individual priorities and philosophies are personal and may vary greatly, no student should be made to feel that her or his priorities are wrong; therefore, emphasize that all individuals have priorities that are "right" for them. Also point out that personal priorities and philosophies do sometimes change over a lifetime.

Have students discover their personal priorities by taking the Forced Choice Priorities Test on Teaching Aids 5-8. Have students figure their results by completing the work sheet on Teaching Aids 9 and 10. Ask students to compare the test results with the list they made earlier. KEY QUESTIONS: Are the results the same? Why might the results be different? Do you agree with the findings? Why or why not?

Ask students to work together to form a class definition for *Goals: Short-term and Long-term*. A possible definition might be: goals are something families and individuals work toward, and they can be either short-term or long-term. Discuss how short term goals help an individual reach long-term goals. Point out that families or individuals with similar priorities may not have the same goals.

Discuss in class the following statement: "When resources, especially time, energy, and money, are used for one purpose or goal, they are not available for another purpose or goal." KEY QUESTIONS: Do you agree or disagree with this statement? Why?

Have students complete the following statement to see the relationship between personal priorities and goals: If a personal priority was ____________________, the main goal would be to __________________________. After each student has completed the statement, ask students to share answers. Have other students offer suggestions on reaching the goals. KEY QUESTIONS: What are the different ways these goals can be reached? To expand this activity, begin the statement with a priority that pertains to the class and have students complete. Examples might include education, family life, wealth, status, and security.[B]

[B] = Basic Skill Reinforcement

Have students view Teaching Aid 11 to learn how different items can be identified as short-term or long-term goals. Ask students to make a list of goals and identify short-term and long-term goals. KEY QUESTIONS: Are the goals in line with one's personal priorities? Are they feasible considering the available time, energy, and money? Do short-term goals build toward long-term goals? How do goals affect family economics?

Lead a class discussion on standard of living. Ask students to develop a class definition for *standard of living*. A possible definition is the lifestyle or approach to living that people have due to the quality of services affordable to them. KEY QUESTIONS: What factors influence standard of living? What is a usual American standard of living? Contrast the usual American standard of living with that in other countries. What is the relationship between standards and standard of living? What factors can determine an individual's standard of living? What standard of living is traditional in the community? What is meant by living on one standard of living, but dreaming on a mental standard of living? How can flexibility in standards help a family adapt to changing circumstances? How are standards affected by one's profession or career? Have students work individually or in small groups to read the case studies on Teaching Aid 12a. Students can analyze the case studies using the following questions.

* What were the families' priorities?
* What were the families' long or short term goals?
* What were the families' standards of living?
* Discuss the following statements about the interrelationship between personal priorities, goals, and standards:
    Priorities tell people why they are going that way.
    Goals tell individuals where they are going.
    Standards will guide them in reaching their destinations.

Have students view Teaching Aid 12b to see the relationship between personal priorities, goals, and standards. Ask students to compare and discuss their answers.[B]

Have students fill out the Individual and Family Goals Charts on Teaching Aid 13. Students can use the chart to outline ten priorities, short-term goals, long-term goals, and give an explanation of their standard of living. They can also use the chart to fill out family priorities, goals, and an explanation of their standard of living. This activity will allow students to gain a better understanding of the interrelatedness of priorities, goals, and standards. Ask students to compare and explain differences and

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[B] = Basic Skill Reinforcement

similarities between an individual's goals and a family's goals. Explain how individual values and goals affect family economics.[B]

3. Needs and wants

Ask students to use library and classroom resources to define and differentiate between needs and wants. Students can share their findings in class. sample definitions might be:

NEEDS: are the necessities of life (things people buy or must have in order to live and carry out daily activities).

WANTS: are the desires of life (things people spend money on that they would like to have and which make life more enjoyable).[B]

Have students view Teaching Aid 14 to study "Maslow's Hierarchy of Needs". Discuss what is meant by *self-actualization*. Ask students to break into five groups. Have each group take a level of needs (i.e. Physiological) and give ten examples of various needs at that level.

As students present their examples, have students participate in a class discussion of each of the basic needs. KEY QUESTIONS: What is self-actualization? How do needs differ from level to level? How do needs build on each other? (Example: Achieving or satisfying one need leads to consciousness of the next higher level of needs.) How are needs seen in daily activities? How are families affected by needs of individuals? How is the economic balance of the family affected by needs of family members?

Lead a class discussion on how needs and wants are sometimes tied to each other. Examples include: an individual needs transportation and wants a new car; an individual needs a place to live and prefers an apartment of his or her own; or a family needs food for dinner and wants steak.

Ask students to write a list of 20 items that a family might want. After the list is completed, have students review the lists and decide which items are really needs (necessities) and which are wants (desires). Ask students to rewrite the list, organizing it into two columns titled "Needs and Wants." KEY QUESTIONS: Which column is the longest? Which items should take priority over the others if funds are not available for everything?[B]

Have students participate in a discussion of the factors affecting needs and wants. Point out that needs differ somewhat from one family to another. The main factors that affect a family's needs and

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[B] = Basic Skill Reinforcement

wants and their ability to meet them are: family size and ages of family members, stages in life cycle, health, education, experience, jobs/careers, income, resources, interests, residence, community facilities, standard of living, priorities, and goals. KEY QUESTIONS: What is the relationship between your personal priorities and the ways in which the needs and wants are met? What major needs do people have? What are the needs that you must consider in planning the spending of money? Do all individuals have the same needs? What are some of the reasons for differences in individuals' needs and wants? How do social group pressures affect needs and wants? What are some of the needs and wants of teenagers today?

C. Decision-making process related to financial planning

Lead a class discussion on decision-making. Point out that the process of careful decision-making is important if family goals are to be reached with the available resources. Explain that the decision-making process is when one carefully compares the benefits and costs of alternatives before making a decision. Point out the fact that careful decision-making involves several well-defined steps. Have students view Teaching Aid 15 and discuss the steps of the decision-making process:

* Identify the problem. (Know what the main concerns in making the decision are.)
* Identify priorities and goals. (Set priorities or preferences, based on what is important.)
* Seek alternatives. (Look at all the choices available, even those that may seem to be out of the ordinary.)
* Compare alternatives. (Know the costs and benefits of each choice, then look at the advantages and disadvantages of each choice.)
* Make a decision. (Choose the best alternative in light of priorities and goals.)
* Accept responsibility. (The individual making a decision by using these steps must accept any outcome that is caused by the decision.)

KEY QUESTIONS: Do individuals spend or save money? How does good decision making help with a budget? How many times do individuals actually apply the decision-making process to purchases? Why is the process important? What are the advantages of careful decision making? The decision-making process can be used with FHA.[C]

Ask the students to make a list of some of the decisions individuals and families face. Apply the steps in the decision-

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[C] = Common Essential Element

making process to identify possible solutions. Students may vote on the solution they think is best. This activity could be used in planning a fund raiser, banquet, etc.

Have students divide into small groups and have each group select a problem from those identified in the above experience. Ask students to role play or discuss each of the steps in the decision-making process in order to reach a solution. KEY QUESTIONS: What risks or elements of uncertainty are involved? What may be the outcome of the decision reached? To what degree was the decision rational? emotional? based on habit or past experience? To what extent was examination of alternatives necessary? Why? What factors were most influential in the final decision? How long might an individual be obligated because of the decision reached? Do different decisions obligate an individual for different lengths of time? In what ways is the decision flexible? inflexible? How did classification of personal priorities influence choice of goals? When more than one person is involved in a decision, what complexities arise?

Ask students to identify examples of a typical student's decisions made in the past 24 hours. Have the students write a paragraph to explain how they arrived at the decision and to point out whether the decision was based on past experiences, chance, previous decisions, habits, emotions, snap judgments, or some other factor. Students can share their written papers.[B]

Have students give at least one example of a decision they made that was based on each of these influences: habit, emotion, past experiences, snap judgment, chance, and a previous decision. KEY QUESTIONS: Which decisions were consciously made? Which decisions were unconsciously made? How might one decision be applied to another decision?

Ask students to project decisions which they might make following the decision to take a part-time job. KEY QUESTIONS: What decisions would need to be make regarding transportation, time schedules, study times, spending money, and family obligations? What other decisions might need to be made for specific situations? As an alternative, students could use the decision-making process to give the advantages and disadvantages of taking a particular job; and then, analyze what influenced the

Have each student select one item, priced between $100–$200, to purchase from a newspaper ad or a mail order catalog. Ask each student to decide if the item is affordable on a monthly payment

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[B] = Basic Skill Reinforcement

plan. Students should consider numerous factors when using the decision-making process to determine whether or not to purchase the item. Give students the following facts to work with:

* Current salary from part-time job: $100 monthly
* Down payment of 20-25% of the total cost of the item must be made
* Complete payment must be made in three months

Have students report their decision to the class and explain how they used the steps of the decision-making process to make the decision. KEY QUESTION: Given a choice, would the item be purchased or not?[B]

Have students complete the work sheet on Teaching Aid 16. The top half of the work sheet illustrates an example regarding eating habits. Instruct students to identify a situation where a decision is needed. After students have worked through the process and arrived at a decision, they can present to the class the problem, the process by which they reached the decision, and the decision made.[B]

D. Spending plans and record keeping
  1. Spending plans
    a. Reasons for planned spending

Have students brainstorm to define a *spending plan*. Was the definition similar to the following? A spending plan is a guide for spending and saving money which lets an individual or a family meet goals and live within income. Discuss planned reasons for making spending plans. Cite examples where planning or the lack of planning has affected family satisfaction. Show students Teaching Aid 17 to identify the advantages of planned spending. KEY QUESTIONS: Is a spending plan a budget? How may planned spending affect each family member?

Listen to a panel consisting of the members of a family discuss "Money is a Concern of the Whole Family" to learn why all family members need to be involved in planned spending. Ask members of the panel to discuss purchases that he or she has made recently or wishes to make. Ask other panel members to tell why or how family purchases affect them individually and the family as a unit. Summarize the ideas presented by the panel. KEY QUESTIONS: Why is budgeting for an individual easier than budgeting for a family? How will communication and cooperation affect family spending plans? Should children share responsibility for managing the family's spending plan? At what age should children be consulted about the family's spending plan? For FHA or as a class project, students could present a skit on a family situation showing the need for planned spending.

[B] = Basic Skill Reinforcement

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
b. Factors to consider in setting up a spending plan	Have students study library and classroom references which identify factors to consider when setting up a spending plan. Define *fixed expenses* (expenses which are paid at regularly scheduled times) and *flexible expenses* (expenses that vary in amount and occurrence). Students should consider resources, goals, a list of known expenses (both fixed and flexible), and other matters that influence the spending plan. Students should also investigate sources of information on making spending plans that are available in the community. They should include: bank services, private financial counselors, extension service personnel, etc. Students can report their findings to the class. A class list of information and assistance sources could be compiled for further reference when making spending plans.[B] Have students view Teaching Aid 18 to identify reasons the spending plans may not work. KEY QUESTIONS: What are the problems? How can these problems be avoided when making a spending plan? Have students look for examples of spending plans for family in current magazines or references. Ask them to discuss and evaluate each plan. KEY QUESTIONS: Is the plan practical? Does it include savings? insurance? medical expenses? What are the fixed expenses? The flexible expenses? Are there any potential problem areas? What adjustments could be made?
c. Developing a spending plan	Ask students to use the three work sheet forms, Teaching Aids 19,20, and 21 to develop a monthly spending plan for a family case study. Have students present their plans to the class for evaluation. The case studies might include a young married couple with one spouse still in school, a single person sharing an apartment with two friends, a young married couple with a small child, etc. For each situation, information should include a name, number of people in the family, ages of family members, one or two specific goals, and the amount of family income per month.[B]
d. Using and controlling the spending plan	Have students work in small groups with one of the spending plans previously developed for a family case study. Have each group review the plan so that all group members are familiar with it. Have students draw a "problem" from a fish bowl. Instruct students to determine how to adjust the spending plan to take care of the problem. Once this problem is solved, have the groups draw another "problem" and solve it. The groups can share their solutions with the class. Examples for problems might include an unexpected illness, an unexpected business opportunity, an unplanned pregnancy, replacement of a major appliance, an emergency car repair, one family member loses a job, a child needs braces on teeth, rent goes up, or low escrow causes

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[B] = Basic Skill Reinforcement

monthly house payment to increase. KEY QUESTIONS: What is the value of flexibility and adjustments in using and controlling spending? What might be the result if no changes could be made in a spending plan? Should spending plans be changed before a fair trial period has been completed? What would be a reasonable time for determining if the plan is working?

c. Evaluating the spending plan

Have students view Teaching Aid 22 to see how to evaluate results of a spending plan. After discussing the evaluation guidelines, have students develop an evaluation form that could be used to assess the success of a spending plan. Sample questions for the form include: Does it meet the needs of family members? or individual? Does it include plans for emergencies? Is money available at the time the bills are due? Will the family's (or individual's) long-term goals be met if the plan is continued? After the evaluation form is completed, students can evaluate the spending plan previously developed for a family case study.

2. Record keeping
   a. Family records

Explain and define the *types of records* a family or individual might need to keep as students view Teaching Aid 23. during discussion, point out that income and expense records should

* Legal evidence of ownership of all assets, including savings passbooks, United States Bonds, deeds, and property titles.
* Legal evidence of debt and its cancellation, including notes, finance contracts, income tax returns, tax returns, cancelled checks, and other receipts.
* Insurance policies, including automobile, health, liability, and life, whether group or individual policies.

Explain that other important items to keep might include records

* Birth certificates for each family member
* Diplomas
* Divorce and support papers
* Family health records (Shots, etc.)
* Immigration papers/naturalization papers
* Licenses
* Marriage certificates
* Registration papers
* Social security cards for each family member
* Wills

Show students Teaching Aid 24 titled Record Storage Chart to learn the suggested storage places and the lengths of time to keep specific records. Discuss the various types of records named on the chart. Explain why some records are considered permanent. KEY QUESTIONS: Are there other types of records which families should keep on file? How can effective record keeping help a family reach their goals? What kind of financial behavior does record keeping represent? Students may want to set up a record storage system for their family if they do not currently have one. Students can share with the class ideas that they used in their storage system.

Have students give their opinions about the following statements regarding family record keeping:

* "I don't need to keep records because I know what I earn and what I spend."
* "I don't need to record every little purchase – that's too time-consuming. I only record large purchases and other major expenses."
* "I have complete financial records from the past five years."
* "I don't keep a record of my expenses, but I do write down the amount and purposes of each purchase."

Have students work in small groups to develop skits explaining the reasons for keeping adequate records. Students can illustrate the consequences of misplacing or destroying important family records such as: expenditure records, household inventory records, record of credit card numbers, tax reports, etc. Students can present the skits in class and discuss the importance of being able to find family business records quickly. A skit "Where is It?" is on Teaching Aid 25. KEY QUESTIONS: How could families or individuals in skits have organized their records? Where might they have kept their records? Why would it be a good idea to keep them all together?

Describe the interrelatedness of spending plans and financial records. KEY QUESTIONS: How would one know if the spending plan was working without a record of the spending? Do records need to be complicated? How much detail is needed? Ask students to find some examples of record keeping books or forms which might be used by families. Students can prepare a class exhibit with the items.

b. Family business center

Have students collect ideas for keeping records and for organizing a family business center. Students can look through books, magazines, and other resources for suggestions. Students can share ideas in class.

Ask students to complete the work sheet on Teaching Aid 26 titled Components of a Study Center. Students can share answers. The answers to the word search puzzle are on Teaching Aid 26–A. KEY QUESTIONS: Could this arrangement serve as a family business center? Would anything need to be relocated? Would anything need to be added?[B]

Have students brainstorm for low cost ideas for establishing a record keeping system. Show students Teaching Aid 27 for other ideas. KEY QUESTION: What other equipment or furnishings would be essential for a comfortable work place?

Have students read articles in current periodicals regarding keeping family business records on computers. Ask students to check advertisements in local newspapers for prices of home computers. If possible, have students observe a demonstration or practice using a computer for managing family business records. KEY QUESTIONS: Is the cost of computers likely to increase or decrease in the next five years? Why?[B]

Have students plan a realistic business center for their family. Remind students the area can be desk, a drawer, box, chest, or a room. Students should determine what items are available in the home and what, if any, items they need to purchase. Have students make a list of the things they will need and ask them to check prices to determine the total cost of setting up a business center in the home. Students should identify any do-it-yourself projects planned for the business center.

c. Safety of valuables

Point out reasons for keeping permanent family and financial records safe. KEY QUESTIONS: Where should these records be stored? Should there be more than one copy?

Have students visit a local bank to learn about safety deposit boxes. KEY QUESTIONS: What can be stored in safety deposit boxes? What is the rental fee? What sizes are available? Which records would be best stored in a safety deposit box?

d. Record keeping methods

Have students study the handout on Teaching Aid 28 on record keeping methods. KEY QUESTIONS: After learning the basics of record keeping, is it worth the time? What are the opportunity costs and benefits of record keeping? How hard would it be for most individuals or families to adapt your record keeping habits to include these guidelines?[B]

Arrange a display for students to view of the different record keeping methods. Examples:

* Checking account – Cancelled checks provide a legal receipt of payment for bills and a record of past spending.

[B] = Basic Skill Reinforcement

- * Envelope form – Small amounts of money may be kept in envelopes and marked for specific purposes.
- * Savings account – A place to keep money for the things individuals must save a long time for, or money for emergency.
- * Calendar – Expected income and expenditures for each pay period are recorded on the calendar.

Have students read and discuss the record keeping methods on the handout on Teaching Aid 29. Explain that there are computer programs available for keeping family spending records. KEY QUESTIONS: What are the advantages and disadvantages of the checking account? envelope method? calendar method? Which one of the record keeping methods would most fit your needs?[B]

Have students participate in the envelope record keeping method for the McDonald family. The McDonald family consists of parents, Jim and Jane, and their two children, Charles and Cathy. Ask students to play the roles of the family members. Have them follow the family's income and expenses for a week, dividing each paycheck into the envelopes, and recording them on a record sheet. Observers may record income and expenses on record sheets as information. Both participants and observers will need copies of the record sheet on Teaching Aid 30. Participants should receive 13 envelopes labeled: food, rent, household supplies, transportation, clothing and laundry/dry cleaning, personal, medical and dental care, recreation, savings, education, utilities, contributions and gifts, and installment payments. The participants also need to have play money to place in envelopes to use for paying bills as the case situation is read (Teaching Aids 31-33). Before reading the story, distribute the money as follows: Jim McDonald, $208; Jane McDonald, $192; Charles, $8; and Cathy,

E. External economics influences on personal spending patterns

Ask students to write a definition of *spending patterns*. Students can share definitions and determine a class definition of spending patterns. Possible definition: the various ways in which an individual makes purchases or uses financial resources.[B]

1. Spending patterns

Have students list, in buzz groups, different spending patterns. Examples include: impulsive buying, comparative shopping, and buying on a credit or layaway plan, etc. Explain the effects of spending practices on society. Examples might include: increased debts require loans or social welfare; money worries due to poor spending patterns affect self-esteem which could affect individuals and families' work habits, etc. KEY QUESTIONS: How does a poor spending pattern (i.e. impulse buying) affect self-esteem? an individual's spending plan? a family's spending plan? a family's

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[B] = Basic Skill Reinforcement

attitude toward individuals and family members? How does a good spending pattern (i.e. comparison shopping) affect the individual or family budget? self-esteem? the ability to reach individual and family goals? family's budget and attitude? How does a poor spending practice (from class list) affect society? How does a good spending practice (from class list) affect society?

Have each student interview one of each of the following family members (preferably from same family): mother, father, child, grandparent, aunt/uncle. Before the interview, have students create five questions to ask each family member about the "effects of personal spending habits on the family". Ask students to write the results in a report to present to class. KEY QUESTIONS: How does the spending pattern of each family member affect the other family members? Do family members react differently to misuse of money? Who seems to be the most affected out of the five interviewed? Why?[B]

Divide students into three small groups. Have each group prepare an oral class presentation on the effects of teenage spending on self, family, and society. Groups should interview at least two teenagers and use at least one reference (i.e. *U.S. News and World Report*, *Changing Times*, or others) to develop the reports. Findings can be presented to class, using visual aid(s) such as posters, graphs, charts, or drawings. To be included in the three groups' reports are the following KEY QUESTIONS:

Group 1 – How do teenagers' spending habits affect the economy? Approximately how much money do teenagers spend in the economy of the United States? From what sources does the teenager receive the money he or she has to spend in the marketplace?

Group 2 – How do teenagers determine what kinds of goods are produced and in what quantity? How has the teenager's role as a consumer changed over the last 75-100 years? How will the teenagers' buying habits of today influence the economy 10-15 years from now?

Group 3 – What do merchants do to encourage teenagers to spend money? How are teenagers needs and wants satisfied? What are some creative things that could be done in high schools to help teenagers understand their shopping habits?[B]

Have students use all of the information they have discovered on effects of spending patterns by completing the work sheet on

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[B] = Basic Skill Reinforcement

CONCEPTS

LEARNING AND EVALUATION EXPERIENCES

Teaching Aid 34. KEY QUESTION: Can you identify three points about the effects of spending patterns?[B]

As a coordinating experience, have students combine family interview findings, their teenager report findings, and the answers on the work sheet above to create a bulletin board display for your room. Students should focus on the most important findings to illustrate the influence of spending patterns on self, family, and society.

2. Income and monetary factors

Have students brainstorm to identify several ways that increased or decreased income would affect spending patterns. Ask students to include the following definitions in their notes (these relate to controlling money or income):

* *Fiscal policy* – the changing of government spending and taxes in order to control economic activity.
* *Monetary policy* – an influence on the changing amount of money in circulation in the economy in order to keep prices stable, to reduce unemployment, and to aid economic growth (increases in a depression or decreases in an inflationary period).
* *Medium of exchange* – the use of money in purchasing goods or services.
* *Measure of value* – comparing the worth of goods, using money as a base.
* *Store of value* – money has a worth of its own since it can be saved and used later.
* *Standard for debts* – money's use as payment to creditors.
* *Demand deposits* – known as checking accounts.

Discuss these terms with class. KEY QUESTIONS: How does an increase or decrease in income affect a person's store of value? How does an increase or decrease in income affect demand deposits? How does monetary policy influence spending plans? How does the measure of value change in a period of inflation? Does a person's standard for debts increase or decrease as the monetary policy increases or decreases (i.e. In an inflationary period, would a person have a greater or smaller debt amount)?[B]

Have students research and prepare a written report on current United States fiscal and monetary policies. KEY QUESTIONS: What is currently being done about the unemployment situation? Who is responsible for putting fiscal policies to work? How does monetary policy affect the economy? Who controls the monetary policy?[B]

[B] = Basic Skill Reinforcement

Have students complete exercises A and B on the handout Teaching Aid 35. By figuring out the math problems, students can see effects of increases and/or decreases in income on spending plans. The answers are included on the top half of Teaching Aid 36.[B]

Ask students to use current consumer magazines to find pictures, articles, and research reports on effects of the monetary policy on various industries, such as agriculture, oil, retail, etc.. From the articles or pictures, students can prepare a 3-5 minute talk to give to the class. Instruct students to organize their talks as if they were making a plea for help in aiding these industries (such as an ad on radio or T.V.) Have each student submit their presentation orally, using one visual aid. KEY QUESTIONS: How have monetary policy controls worked in these areas? Have debts risen due to these economic policy controls? What has happened to demand deposits due to financial hardships?

3. Cost-of-living
   a. Law of demand

Explain the law of demand. Point out that it is the amount of a good or service that people are willing to buy at each price during some time period. It is assumed that more will be bought at the lower price than at the higher price. Examples include situations such as the following: more people will subscribe to a magazine at $14.00 a year than at $30.00 a year; a teenager needing tee-shirts, who has $10.00 to spend on them, would probably buy two if they are on sale for $5.00 each rather than one at $10.00. These examples illustrate the quantity demanded, though changes in demand are not based on price alone. An increase in demand means that people want more of the good or service at every possible price level. A decrease in demand means people want less of a certain product or service. Changes in demand may result from changes in people's taste, preferences, current trends, changes in income, and changes in the prices of substitute goods. Another example of changes in demand includes the increase in demand for medical care which has increased as a greater percentage of the population is 65 and older. An example of a decrease might be the reduction in the demand for twister beads since people's tastes have changed and they are no longer buying them. Discuss how the law of demand is affected by the situations discussed from the class presentations. KEY QUESTIONS: How does a rise in the cost-of-living affect a spending plan? What are some alternatives to consider to adjust the spending plans if this happens? How can individuals and families affect the cost-of-living? Which items use the most of an average family's budget? Have these items always required such a large percentage of the spending plan?

[B] = Basic Skill Reinforcement

CONCEPTS

LEARNING AND EVALUATION EXPERIENCES

Have students view Teaching Aid 36 to see the changes in fixed and flexible costs-of-living since 1909. KEY QUESTIONS: Why does the smaller amount of income required in 1950 and 1980 allow for more freedom in spending? (The cost-of-living is reflected by the fixed and flexible expenses.) What costs-of-living went down percentage-wise in 1950 and 1980? (List fixed expenses.) What costs-or-living went up percentage-wise in 1950 and 1980? (List flexible expenses.) What do these figures tell us about changes in America's spending patterns across the years?

b. Society's influence

Have students list societal influences on economy such as one-parent family, two-parent family, individual career choices, one-income families, two-income families, multiple-income families, media, environmental concerns, scientific and technological advances, changing tax laws, and age of consumers. Lead a class discussion on the societal influences, fiscal policy (the combination of how taxation and spending affect the economy), and inventory (build up of goods). KEY QUESTIONS: What are the different economical considerations between one-parent and two-parent families? between one-income and two-income families? In what ways does the media influence personal spending? How does one's environmental concerns affect personal spending plans? How do scientific and technological advances affect spending plans? How do changing tax laws affect spending plans? How does the age of the consumer affect his/her spending plan?

Have students interview persons representing different age groups to discover problems that they face as consumers in a changing society? KEY QUESTIONS: In what way are students an important economic force? What problems do students face as consumers? young married couples as consumers? parents as consumers? the elderly as consumers? What can be done to help eliminate or minimize these problems?

4. Unemployment

Have students listen to an explanation of unemployment. In the discussion include explanations and definitions of types of the unemployment:

* *Frictional unemployment* is caused by people searching for better or new jobs.
* *Structural unemployment* is caused by economic shifts.
* *Seasonal unemployment* is due to types of employment only requiring work at certain times.
* *Cyclical unemployment* is caused by a downturn in the economy due to lower consumption or lower investment.

KEY QUESTIONS: How is cyclical unemployment affected by inflation and recession? How does it affect societal, cost-of-living, and law of demand factors? What are some examples of frictional, structural, or seasonal unemployment? What type of unemployment is in the area where you live?

Have students complete the matching activity on Teaching Aid 37 to review terminology used in discussing unemployment. The answers to this activity are on the lower part of Teaching Aid 36. Have students write a paragraph summary (below the puzzle) of how they are affected by each of the factors in the matching list.[B]

[B] = Basic Skill Reinforcement

CONSUMER AND FAMILY ECONOMICS
UNIT II

COMPETENCY: *Evaluate the interrelatedness of the consumer and the economy. List characteristics of a free enterprise system.*

SUB-COMPETENCIES:

Explain how the American market system functions.

Determine the role of competition and profit incentives in business.

Relate the business cycle to economic conditions.

Explain the influence of international trade on the family.

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
II. Consumers in the economy A. Free enterprise system 1. Basic economic concepts	Pass out copies of the information sheet, Basic Economic Concepts on Teaching Aids 38-39 for the student to read. Discuss each of the basic economic concepts of the free enterprise system, including the following information:
a. Scarcity	Point out that no society has ever had enough resources to produce all the goods and services wanted; therefore, scarcity requires individuals to make choices about how their resources can best satisfy their wants. KEY QUESTIONS: How does scarcity necessitate choice? What does the word *scarcity* mean for individuals? for society? What situations involving scarcity have you faced recently?
b. Needs	Have students review a transparency or chalkboard presentation on the "Hierarchy of Needs" to see the basic needs of people. Find realistic examples to illustrate various needs at each level. Use the information on Teaching Aid 14 to discuss these needs. KEY QUESTIONS: What major needs do people have? What is the relationship between values and the ways in which needs are met? What are the needs that must be considered in planning the spending of money? Do all individuals have the same needs? What are some of the reasons for differences in individuals' needs? How do social group pressures affect needs? What are some of the needs of teenagers today? How does society help families provide for their needs?
c. Wants	Explain the different types of wants: * *Private wants* - family's desire for a home or a club's wanting a recreation center * *Public wants* - society's wants for education, national defense, highways, etc.

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
	* *Economic wants* - wants that can be satisfied by the consumption of goods or a service. One example, the desire for leisure time, is an economic want because leisure time is needed to enjoy the consumption of certain goods, such as shoes or a car, and services, such as education or medical care. KEY QUESTIONS: What factors influence a person's wants? How might wants in a family vary? What is the relationship between your values and the ways in which your wants are met? Why do some people consider their wants to be as important as their needs. How do social group pressures affect wants? What are some of the wants of teenagers today? How does society help families provide for their wants? Why do wants, not needs, usually direct the choice behavior of individuals?
d. Factors of production (1) Land/natural resources (2) Labor/human resources (3) Capital resources	Explain the three basic categories of productive resources: land/natural resources, labor/human resources, and capital goods. Point out that the economic definition of capital does not include money; however, money can be used to purchase capital. KEY QUESTIONS: What is land? labor? capital? How is money used to purchase capital in your community? If you were to set up a small appliance repair shop, what kind of capital would you need? How would you get the necessary capital for your new business?
e. Opportunity cost	Point out that when an economic choice is made usually something must be given up. In other words, if you buy one thing, you can't buy something else with the same resources. In economics the term used to describe the choices given up is opportunity cost. KEY QUESTIONS: What was the opportunity cost of a decision you made in the past week? What are some of society's opportunity costs that have been decided on in your
f. Trade-offs	Explain the most trade-offs are not all-or-nothing proposals, but usually small, "bargained-for" changes such as a little more of this for a little less of that. KEY QUESTIONS: What trade-offs have you bargained for in the past few weeks? How has a community made a recent trade-off?
g. Productivity (1) Specialization (2) Division of labor (3) Investment in capital goods (4) Investment in human goods	Discuss the three principal means of increasing productivity: specialization and the division of labor, investment in capital goods, and investment in human capital. Explain that increases in productivity reduce scarcity, but do not eliminate scarcity entirely. KEY QUESTIONS: Why are there both costs and benefits when productivity is increased? Why is specialization the basis of trade and exchange among individuals, businesses, cities, regions, and countries? Even though specialization and the division of labor increase productivity, how might they also reduce self-sufficiency and increase economic interdependence.

CONCEPTS

2. Political economic systems
    a. Economic systems

LEARNING AND EVALUATION EXPERIENCES

Have students view Teaching Aid 40 on different political economic systems. The following information should be included in the discussion of the three distinct categories of political economic systems:

1) CAPITALISM is an economic system in which the majority of the means of production are owned by private citizens. Another label for this type of economy is a *market economy*. A good example of a country which primarily uses the capitalist economic system is the United States.
2) COMMUNISM is an economic system which allows no private ownership of property–all land and capital are owned by the state. Labor is often controlled by the state. Decisions on the goods and services are based on what the leaders consider to be the most important for the country. This form of economy is also referred to as a *social economy*, a *command economy*, or a *planned economy*. The Union of Soviet Socialist Republics (USSR) is a good example of this Communist economic system.
3) SOCIALISM is an economic system referred to as a mixed economy. It is a combination of capitalist and communist ideas. This system utilizes a modified profit return in which amounts returned are greater than costs. This creates stronger incentives for efficiency from the workers. Human social services are often provided for by this economic system. The country of Yugoslavia is a good example of a socialist economy.

Analyze and compare the three economic systems. KEY QUESTIONS: What is an economic political system? What are the three major economic systems? Is the United States a perfect example of a capitalistic government? Why or why not? Why do state-controlled societies prohibit private ownership? What freedoms and responsibilities would individuals and families gain or lose if they were not allowed private ownership?

Invite a guest speaker to the class to compare and contrast the three political economic systems. Ask the speaker to include information on the national economic goals: economic freedom, economic efficiency, economic growth, economic stability, economic justice, and economic security. Also ask the speaker to discuss how economic policy results form our society's economic conditions as well as the interaction between the problems of society and its economic goals. KEY QUESTIONS: Who regulates the market system in each of the economic systems? What are some of our society's economic problems? What are some of the limited resources? How are the limited resources used and shared among the members of society? How is a nation's level of living affected by the poor use or waste of natural resources? Explain why most individuals and all nations must economize. How has the family in the United States been affected by the economic policies? After hearing the speaker, students can complete and discuss the comparison chart handout on Teaching Aid 41. Ask each student to select one of the economic goals presented by the speaker and explain why they feel it is the most important. The students can react to each other's responses.

Have students write a one-page essay on the political economic system which they prefer. To avoid putting students in the position of personally advocating socialism or communism, you may want to have students draw for the type of economic system they write about. The essay should include the reasons for selecting the specific economic system. Factors influencing the decision might include: lifestyle, career, family, ownership of property, political issues, elections, freedom and opportunity for individuals, and the drawbacks of the system.[B] [C]

B. American market system
   1. Economic roles individuals
   2. Supply and demand

Ask students to use classroom references to define *market system*. Their definition may be similar to "a system where consumers vote by buying or not buying specific services and goods thus determining what and how much will be produced." Point out that each individual has three basic economic roles: worker (receiver of income); consumer (user of income); and citizen (joins with others in collective decision making). Explain the importance of the economic roles of worker, consumer, and citizen in the American economy. Ask students to give examples of the ways they participated in the various individual roles in our economy. Discuss supply and demand as related to the market system.[C]

   3. Circular flow of goods and services

Have students view the circular flow of goods and services on Teaching Aid 42. Discuss the two economic groups: consumers and producers. Explain the dual roles of buyers and sellers which both consumers and producers have. Explain the circular flow of goods and services and point out how consumers and workers contribute to the circular flow of economic activity. Discuss the fact that even though all people are consumers, the production of some must provide for the needs and wants of those who are not producers (the very young, the frail elderly, and the ill). Relate money to the circular flow of economic activity.[C]

Have the class divide into small groups and answer two or more of the following questions in a written report. The questions to be answered may be assigned to the groups or selected by the

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[B] = Basic Skill Reinforcement

[C] = Common Essential Element

students. Students should be encouraged to use available resources as needed. After discussing the questions in groups, the main points should be shared with the class.[B]

- * What is marketing?
- * What are the functions of marketing?
- * How are consumer goods marketed?
- * How does marketing affect the cost of consumer goods?
- * How do convenience goods affect prices in the market?
- * What determines the size of the market?
- * What are some types of markets?
- * How are middle-men involved in our market system?
- * How does marketing contribute to our standard of living?
- * How does the market system help the consumer?
- * How do consumers influence what is produced?
- * What purpose does competition serve for consumers within the American marketplace?
- * What would happen to consumers if there were no competition?
- * How do you think a local store determines what to sell and at what price?
- * What determines how much profit a business can make under a market system?

4. Gross national product

Discuss in class the gross national product. Define *gross national product* as the total amount of money spent in the United States each year by consumers, businesses, governments, and foreign consumers. Explain the formula: $\text{GNP} = C + I + F$. Point out that the four groups which contribute to the GNP is given a letter in the formula. Explanation: The gross national product (GNP) consists of consumer expenditures (C), plus business investments (I), plus government expenditures (G), plus our net foreign exports (F). Point out that net foreign exports mean exports minus imports. KEY QUESTION: What measures determine economic growth in the American market economy? How are individuals and families essential to the functioning of the economy?

Ask students to look up current figures for gross national product, nation income, personal income, personal disposable income, and the current consumer price indexes. Students can use classroom and library resources for information. The United States Bureau of Labor Statistics is an excellent resource. Discuss how these figures affect the American market economy. Have students prepare a circle graph that shows the gross national product for the past year, to become aware of the distribution of consumer income in the economy. Data for the chart can be found through a public library or the school library. The chart should be divided into

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[B] = Basic Skill Reinforcement

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
	sections related to the GNP formula: (C) Consumer spending; (I) Investments and spending by businesses; (G) Government spending; (F) exported goods and services. When the GNP is broken into C, I, G, and F it tells how much each of the four groups contributed to the economy in a single year. Remind students that the GNP is recorded in figures representing billions of dollars. Discuss the importance of figures such as the gross national product.[B]
C. Role of competition and profit incentives in business	Explain the following rules for brainstorming: * Say anything that comes to mind. * Do not discuss, criticize, or evaluate the statements of others. * The ideas of others can be repeated, added to, or slightly changed. * Silence is okay some of the time. * Keep on brainstorming for a while, even when you think you have finished.
1. Competition	Appoint a student to lead students in a brainstorming session to define the term *competition*. Competition may be defined as businesses trying to offer the products and services that consumers want and at the same time make a profit or businesses acting independently to attract customers and thus make a profit. Discuss why the right to compete is one of our major economic institutions.[C] Have students view Teaching Aid 43 to identify characteristics that distinguish the various types of competition. KEY QUESTIONS: What purpose does competition serve for consumers within the American marketplace? What would happen to consumers if there were no competition? How is competition a means of protection for the consumer? How has the American family been affected by competition among producers of economic goods in the last three years? What is the difference between monopolistic competition and a monopoly? Why are monopolies considered to be bad while competition is considered to be good? What are some reasons for regulating a monopoly? Why are some monopolies allowed in the United States and others are not? What are the advantages or disadvantages of having only one electric company in your area? What are the advantages and disadvantages of having more than one phone company in your area? What are the advantages and disadvantages of having two electric companies in your community?

[B] = Basic Skill Reinforcement

[C] = Common Essential Element

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
	Ask students to work in small groups to develop case studies. After electing group leaders, students can use classroom and library resources for information as needed. Each case study should be written about a business involved in the marketplace. Information should include: product made; details of competition or lack of it; demand for product; where and how product is sold; and profit (if any) or effect of competition on profit. In order to have a variety of types of competition, prepare a list of businesses for students to select a topic from; or have students sign up for a specific business and check that there will be a variety. Have the groups exchange case studies. The group leaders can read the case studies aloud, then lead the group in deciding the type of competition being utilized.[B] [C]
2. Profit	Have students research class textbooks and periodicals to define *profit*. Form a class definition for *profit* from definitions. A possible definition: "A financial gain, after all expenses are paid, resulting from the use of capital in a transaction." Discuss *profit motive* and point out that the profit motive is a financial reason to produce services or goods. KEY QUESTIONS: What is the role of profit in a market economy? How does profit determine whether or not a product will be produiced? Why might a product that satisfies wants and needs not be produced? What does business do with profits? How might profit benefit workers? How does the profit motive influence the services and goods which are produced in our economic system? Why do some companies have a higher rate of profit than others? Explain. Divide students into production teams and ask them to create items to be sold in the school, class charity, or Christmas bazaar. For the written assignment, students could select a product and follow its steps from production to consumption, keeping records. Have students keep records of the products and include steps from production to consumption, costs involved, profits made, and effects of competition. This written assignment can be altered eliminating production time or the time involved to initiate a sales event, if one were not scheduled. KEY QUESTIONS: Did the product return the costs of its production? Was a profit made? How did the item compete with other items in the bazaar? What other factors affect the sales?
D. Business cycle related to economic conditions	Instruct students to use resources to define the term *business cycle*. One definition is periods in the economic system in which employment, income, production or other business activities are

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[B] = Basic Skill Reinforcement

[C] = Common Essential Element

CONCEPTS | **LEARNING AND EVALUATION EXPERIENCES**

1. Prosperity
2. Recession
3. Depression
4. Recovery

increased or decreased. KEY QUESTION: How will understanding the business cycle aid you as a family or individual consumer? Have students view Teaching Aid 44 to learn about the four phases of the business cycle in our economy. The phases are:

PROSPERITY: high employment rates and high spending rates can result in debts, which lead to

RECESSION: when a large number of people are in debt, sales and profits are reduced, and some workers may be laid off. This leads to

DEPRESSION: which is decreased activity in business with many workers laid off

RECOVERY: brings an increase in needs of consumers and results in increased business activity so that workers are hired to meet demand. (This can lead to PROSPERITY, completing the cycle.)

Have students view Teaching Aid 45 to compare the business cycle phases. KEY QUESTIONS: How do the four phases affect wages, production rates, opportunities for employment, and costs of goods? What is the effect of an upswing of business activity? Why does cost increase create a demand for higher wages? Why do higher wages create higher costs for services? What phase of the cycle is the United States currently in? In what ways could the local phase of the business cycle be independent from that of the nation.

Divide students into four groups and elect a leader for each group. Give each group a handout of the case studies on Teaching Aid 46. Ask the groups to analyze which phase each case occurs in. On each case study, have the groups list the factors of that phase that are included, as well as any missing factors. The leaders can present their groups' analysis to the other groups.

(ANSWER KEY: I. Prosperity II. Depression III. Recession IV. Recovery).[C]

5. Inflation

Lead students in a discussion to define *inflation*. A possible definition: a decreased value of the dollar. KEY QUESTIONS: How does inflation differ from recession? How can you combat inflation? How can you live with inflation? When studying inflation, the "rule of 70" could be discussed to illustrate how long it would take for an item to double if growing at a specified rate

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[C] = Common Essential Element

compounded annually. Divide 70 by current inflation rate and it will equal the years it will take to double the price of the item. For example, using an inflation rate of 10% (70 divided by 10 equals 7 years), the price of a coke with prices increasing at 10% per year would be: 1980, $.45; 1987, $.90; 1994, $1.80; 2001, $3.60.[B]

Discuss Teaching Aid 47 which illustrates the income needed to keep up with inflation over past years. Point out that the vertical scale represents the dollar amount of take-home pay, and the horizontal scale represents the years 1950-1986. KEY QUESTIONS: What take-home pay was needed in 1970 to equal the take-home pay in 1950? What dollar amount of pay was needed in 1983 to equal 1960 take-home pay? When did the greatest increase occur? Noting the differences in years between the horizontal bars, is inflation increasing more rapidly or more slowly now than from 1950-1960? What projections would you make about the cost of living in 1993?

Have students work in small groups to research library and classroom references and list the factors that lead to inflation. Factors should include: supply and demand, standard of living, strikes, declined productivity, and deficit government spending. Discuss each inflation factor as it is named by a group.

E. Influence of international trade on the family

Define *international trade*. A possible definition could be: selling, purchasing, or trading between nations. KEY QUESTIONS: Why is international trade important to nations? to families? to individuals?

1. Imports

Define *import* and *export*. (Possible definitions include: Imports are goods bought from another country. Exports are goods sold to another country.) Have students research classroom resources or government publications to list at least ten items the United States imports. (Listings might include: spices, tea, diamonds, wool, zinc, chrome, cobalt, etc.) KEY QUESTIONS: How does importing affect prices and profits in the United States? How do these price increases or decreases affect the family? How would discontinuing trade affect families in the United States?

Have students visit a local department store. Ask them to list the first 20 items they look at and the country each product is made in. KEY QUESTIONS: What items were imported? What percentage of the 20 items researched were American made? What price differences were noted between American-made goods and similar foreign-made goods? Should imports be restricted? Why or why not? (Import restriction issues to consider include: protection of

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[B] = Basic Skill Reinforcement

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
	new industries, protection of nation's security, protection of our economy, protection of American workers from foreign competition.)
2. Exports	Have students visit, write, or phone a local industrial firm to find out if they are exporting goods, what kind of goods are exported, and to what countries. Students can share findings. After class discussion, ask students to write a paper on exports and how they help or hurt a family's economics.[B]

[B] = Basic Skill Reinforcement

CONSUMER AND FAMILY ECONOMICS
UNIT III

COMPETENCY: *Interpret the role of government.*

SUB-COMPETENCIES: *Describe the role of government in the American economy.*

Identify local, state, and national government services and legislation affecting the family.

Summarize the concept of "opportunity costs" in relation to tax responsibilities and government regulations.

CONCEPTS

III. Role of government
  A. Government's role in the economy
    1. Revenue
    2. Regulation
    3. Redistribution

LEARNING AND EVALUATION EXPERIENCES

Have students view the transparency on Teaching Aid 48 to identify the ways in which the government influences the American economy. Discuss the government influences listed. Have students list other give examples and list other influences under the categories on the teaching aid. During class discussion, point out that the three "R's" of government activity in our economy are: revenue (taxes); regulation (price control, legislation, regulation of interest, and regulation of working conditions, resources, agencies, and services,); and redistribution (social security, federal subsidies). Have students refer to Teaching Aid 48 and select and discuss which of the three "R's" of government activity each of the governmental influences depicts. To review the three "R's" of government, students can complete the word puzzle on Teaching Aid 49. The answers are: 1) revenue 2) regulation 3) redistribution.

r e R R E m a n s B o r g
e s E p G U L A T I e a r
b i D I S T R I z O q u a
e c N E V E R B U N n m r
r o U E a l N O I T p a t

KEY QUESTIONS: What is your responsibility, as a citizen and a consumer, regarding government's role? Who pays for government services? How can we, as American citizens, control tax reforms and other government legislation? What is the purpose of governmental regulation of interest rates? What is the purpose of government's control of prices? How does control of working conditions affect you as individual citizens as well as your family and friends? Do you think government has too much, too little, or an adequate amount of influence on our economy?

Assign students a paper to write on a case of deregulation of prices or resources. Example: What would deregulation of transportation do to food costs? Possible sources for the reports could be magazines, newspapers, national news broadcasts, etc. Have students report their cases to the class as well as turn in a copy of their findings. KEY QUESTION: Did deregulation aid or harm the economy in this case?[B]

Lead a class discussion on how consumers financially support government protection and services. Example: paying state, local, and federal taxes. KEY QUESTIONS: What are the purposes of taxation? (Possible answers include: cover government costs; to insure that most, if not all, citizens support government economically; allow government to provide public services; and reduction or increase of nationwide activity.) What are the effects of increasing taxes? decreasing taxes? (Possible answers might be: increasing taxes decreases consumer's available money to spend or decreasing taxes increases economic activity.) How is the government affected by increasing taxes? decreasing taxes? How do taxes affect the consumer in the marketplace? the producer? How many different levels of government have contributed money to the classes in the local high school? How important is government aid to education? How does the state and local government aid groups of people with special needs?

Have students view Teaching Aid 50 to gain a better understanding of where tax revenue is spent by our government. Ask students to break into four groups. Assign each group one of the following topics: service, defense, education, or welfare. Have each group prepare a written report for the class on the pros and cons of tax revenue used in their topic area. Groups can present their findings by role playing advocates and opponents in debate over their issue.[B]

4. Direct taxes
5. Indirect taxes

Lead students in a discussion of the two main categories of taxation: *direct* - taxes which are charged by the government and *indirect* - revenue disguised in costs of services or goods purchased. List forms and sources of direct and indirect taxes on the chalkboard as students name them. Possible answers include: direct–income tax, property tax, license tax, etc.; indirect–sales tax, import duties, etc.

B. Government services and legislation affecting consumers
   1. Government services

Have students take the pre-test on the abbreviations of Federal agencies which provide government services on Teaching Aid 51 to see how many agencies they can identify. Answers:

1. Federal Aviation Administration
2. Federal Communications Commission
3. Federal Reserve Bank
4. Federal Trade Commission

[B] = Basic Skill Reinforcement

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
	5. Interstate Commerce Commission 6. Veterans Administration 7. United States Department of Agriculture 8. Food and Drug Administration 9. Federal Deposit Insurance Corporation 10. Internal Revenue Service 11. Federal Housing Administration 12. Occupational Safety and Health Administration
	KEY QUESTIONS: What federal agencies are available in your community? In what ways do they affect the consumer? Would these services be supplied by anyone else if not by the federal government? What could be the result if this service was not supplied.
	Lead a class discussion on the services provided by the government. Point out that citizens are provided services by local, state and the national governments. Have students view Teaching Aid 52 when discussing the two types of services offered by government: *public* and *merit*. Compare the two types of services. Point out that public services are provided for all people, regardless of ability to pay; merit services are provided because businesses aren't providing sufficiently for all people, but are offering services only to the people who can pay for them. KEY QUESTIONS: How do the two types of service differ? What public and merit services are offered in your community? How do the services provided affect individuals and/or families.
a. Public services b. Merit services	Write the names of services provided by the government on slips of paper and have the students draw one. Refer to Teaching Aid 52 for some names of services. Have students write answers to the following questions about the service they have drawn: Is the service a local, state, or national service, or all three? How does this service affect you and your family as consumers? Consider the following statement: The majority of Americans think our federal government should only provide services that citizens can't provide for themselves. Considering the service you have drawn, do you agree with the statement? If the government did not provide this service, what effect would it have on the economy (give pros and cons)? Have students give their answers and the reasons for answers. The class can react through discussion.
2. Legislation	Divide students into small groups to work and study classroom and library references to learn about government legislation that affects the consumer. Ask the groups to appoint a leader to take notes and report findings to class.[B] [C]

[B] = Basic Skill Reinforcement

[C] = Common Essential Element

Using the transparencies on Teaching Aids 53-56 and the supportive information on teaching aids 57-61, have students trace the development of consumer protection legislation from its beginning to the present time. Include a discussion of the marketplace 100 years ago as compared with today. Point to include: today's world is more complex because there is new technology and more decisions are required. Discuss how these factors contribute to the need for more government regulation as compared to 100 years ago. KEY QUESTIONS: During which period was the most done for the consumer? Explain why this happened. How has the increasing complexity of the market system influenced the need for government protection of the consumer? What predictions might be made for the next ten year period?

Have students read and clip newspaper and magazine articles about legislation related to consumer protection. Students can read or summarize articles of particular interest to the class. Keep a class file of such articles. Ask students to select one topic from the class file and write their congressional representative in Washington, D.C. and their state legislator to request information about recent and pending legislation related to consumer protection. The areas of investigation could include tax reform, energy, national health reform, credit reform, and consumer advocacy. Have students report on the information received. If it is a legislative year in Texas, students can track a consumer-related bill throughout the semester.[B]

Have students interview a government or civics teacher to find out the process through which consumer laws are passed and how the consumer can take an active role in the process. Ask students to report findings to the class and discuss. KEY QUESTIONS: What actions can the consumer take to help get a proposed consumer law passed? to voice opposition to a proposed law? Give examples of laws that help/hurt families as consumers?[C]

a. Limit or control legislation
b. Consumer information legislation

Have students differentiate between two types of consumer legislation: limit or control legislation and consumer information legislation. Point out that limit or control legislation regulates business, sets health standards, sets quality standards, sets safety standards, and sets fraud and redress laws. Examples follow, but are not limited to:

* Flammable Fabrics Act, 1953
* Wholesome Meat Act, 1967

[B] = Basic Skill Reinforcement
[C] = Common Essential Element

* Highway Safety Act, 1969
* Toy-safety Act, 1969
* Wholesome Poultry Act, 1968
* Clean Air Act, 1970
* Energy Conservation and Oil Policy, 1976
* Trade and Tariff Act, 1984

Point out that consumer information provides sufficient information on products to consumers. Examples follow, but are not limited to:

* Wool-Product Labeling Act, 1939
* Packaging and Labeling Act, 1969
* Drug Listing Act, 1972
* Consumer Education Act, 1978

Have Students study Teaching Aids 53-56 (use as handouts or transparencies) and determine under which type of consumer legislation the laws fall. KEY QUESTIONS: What are the main differences in the two types of legislation? Can an act be considered in both categories (i.e. Consumer Good Pricing Act)? Have each student select three of the consumer protection acts from Teaching Aids 57-61 and research the question, "What problems or economic events led to the establishment of these acts?" Ask students to write a summary on the beginning of each of the three acts, including their opinion about each of the three acts; whether the acts benefit or hinder consumers; and whether you are in favor of the acts. Students can share papers in class.[B]

3. Government agencies

Ask the students to work in pairs to investigate government agencies (see Teaching Aid 62), their backgrounds, reasons for formation, aims, functions, responsibilities, and publications. Students can use posters or bulletin boards to present this information. As the reports are being made, students can fill out the summary chart on Teaching Aids 63-64. To review the agencies and their responsibilities, students can answer the following: Which federal agency is responsible for each of the following activities or commodities: meat or poultry sold in interstate commerce, counterfeit money, gas used for heating or cooking, unfair competition, impure cosmetics, use of mails for the promotion of lotteries, and illegal issuing of stocks and bonds?

Have students brainstorm to name sources where the consumer can get protection or assistance. Rules for brainstorming are in Unit I. Ask students to categorize the sources listed as federal consumer agencies, state and local consumer agencies, and private

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[B] = Basic Skill Reinforcement

consumer agencies. Students should consult classroom textbooks and library references to identify additional sources of protection and assistance. Students can also work individually or in small groups to come up with new ideas for agencies or ways to improve existing ones, which they think might benefit today's consumer. Students can share their ideas.

Have students develop a newscast or newspaper front page to explain ways in which the activities of the various government agencies affect the consumer. The students can work in groups of three as "reporters." For one or more weeks, have students watch for and clip out newspaper or newsmagazine articles on the activities of the various government agencies. Students can also listen to news on television or radio, and write down comments about these agencies. Groups can discuss articles and news broadcasts before developing the newscast or newspaper front page. Emphasis should be placed on how the activities of the government agencies affect the family. Groups can present their project to the class.

C. Opportunity cost related to tax responsibilities and government regulations
   1. Tax responsibilities
      a. Taxes
   2. Types of taxes
      a. Progressive tax
      b. Regressive tax
      c. Proportional tax

Have students refer to references or to the dictionary to find a definition of *taxes*. Their definition may be similar to: Taxes are the revenue collected by governments to pay the cost of their services. Have students view Teaching Aid 65 to identify the types of taxes. Discuss how income taxes are the largest source of government revenue. Point out that congress determines the redistribution of revenue.[B]

Have students view Teaching Aids 66, 67, and 68 and discuss the three basic types of taxes in the United States: *progressive tax*, *regressive tax*, and *proportional tax*. Point out that the amount of taxes people pay is called the tax rate. The tax rates (as illustrated in the Teaching Aids) are stated as a percent so that people can tell how much of their income is taxed. KEY QUESTIONS: (Progressive Tax): What is the tax rate for an individual earning $3,000 yearly? How much is this in dollars? What is the tax rate for a person earning $25,000 yearly? How much is this in dollars? Does the tax rate go up or down as income increases? What happens to the amount of tax money which must be paid as income increases? (Regressive tax) What is the tax rate for a person earning $1,000 yearly? How much is this in dollars? What is the tax rate for a person earning $10,000 yearly? How much is this in dollars? Does the tax rate go up or down as income increases? What happens to the amount of tax money which must be paid as income increases? (Proportional tax) What is the tax rate for a person earning $2,000 yearly? How much is this in dollars?

[B] = Basic Skill Reinforcement

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
	What happens to the tax rate as income increases? What happens to the amount of tax money which must be paid as income increases? Compare the amount of money a person earning $25,000 has to pay under the regressive tax, progressive tax, and proportional tax; which is lowest? Why? Which is highest? Why? Which tax rate seems to be the most fair? to be the most unfair?
d. Indirect tax e. Direct tax	Lead a class discussion on direct tax and indirect tax. Explain that an indirect tax is a tax which has been passed on to the consumer by the producer or the retailer. (One example is sales tax or higher prices.) Direct tax cannot be passed on to others. (Examples include: federal, state, and city income taxes; property taxes; and inheritance taxes.) KEY QUESTIONS: How is an indirect tax different from a direct tax? Can direct taxes ever become indirect taxes? (Example: when property tax increases and the landlord raises the rent). What are hidden taxes? What is the difference between taxes based on cost of service or benefit and those based on ability to pay?
3. How taxes are collected	Invite a resource or a person from the city or county tax office to explain the local or county tax levy or how taxes are collected. KEY QUESTION: Which taxes are levied by the local or county government? Have students study library resources to learn which taxes are imposed, or levied, by local, state, and federal governments. Ask students to develop a chart to explain their findings. Students should give examples of at least eight taxes on the chart. Remind students to keep in mind that some taxes are levied by more than one government. Students should also include on the chart such information as whether the tax is a direct or an indirect tax, the benefits individuals receive from the tax, and if the tax is based on ability to pay. Have students explain charts to the class. KEY QUESTIONS: At what level of government are property taxes usually levied? Sales and excise taxes are levied by which levels of government.[B] Arrange the various forms used for tax purposes in an exhibit for students to view. Examples of these forms would be appraiser's schedules, income tax blanks, and city and county tax notices. Have students examine them and explain which forms are related to which taxes.
4. Benefits of taxes	Have students view Teaching Aid 69 to identify ways taxes are used at the federal, state and local levels. Have students divide into three research groups to do further research on benefits provided by taxes at each level of government. Students can share findings.

[B] = Basic Skill Reinforcement

Ask students to find a cartoon, editorial, or quotation concerning taxes and their benefits. Have students make a presentation stating what the item means to them.

Have students describe and record benefits citizens receive as a result of taxes, such as recreational facilities, parks, library, protection, highways, and educational materials. KEY QUESTIONS: Who pays for parks? Who pays for streets and roads? for repairing them? Who pays the salaries of policemen? firemen? city librarians? teachers? Who pays for putting students through school.[B]

Have a committee of students interview the school principal, superintendent, or business manager to find out if the school receives any financial aid as a result of taxes and the amount of school tax paid in the community. The committee should also find out how taxes pay for school supplies, buses, food, salaries, building upkeep, and the cost per student.

After the committee reports its findings, discuss this cost in terms of financing an education. KEY QUESTION: Could individual students and their families afford to pay this cost each year?

Ask students to interview adults who are paying taxes and ask them their opinion concerning the local and state taxes. Have students present a report on their findings to the class. KEY QUESTIONS: Do you think these adults are aware of the benefits they receive from the tax dollar? Is it important for consumers to understand the benefits received from tax dollars?

Have students list all the items bought in the past two weeks which were subject to sales or excise taxes (or have students save sales receipts for a period of time). Have students estimate the amount of taxes paid in this manner. KEY QUESTIONS: Was each student aware that he or she was paying taxes when buying the item? What is the amount of tax charged on such items as gasoline, food eaten out, theater tickets, etc.[B]

Have students outline taxation in the state where they live. Students can work in teams to make a poster diagram to point out one of the following pertaining to their state: expenditures for education, public welfare, natural resources, highways, etc.; taxes levied; and sources of revenues. Students might want to refer to reference and resource books such as *The Statistical Abstract* for additional information. Display the diagrams so the class can see the entire state taxation picture.[B]

[B] = Basic Skill Reinforcement

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
5. Income taxes a. Responsibilities	Explain that the basic principle behind the tax laws of the United States is the ability to pay. Income tax is a graduated rate–the more income you receive, the more income tax you pay. Point out that the income tax system is based on voluntary compliance which means that all citizens are expected to prepare (or have prepared) and file income tax returns. Explain that willful failure to pay taxes, tax evasion, is a felony. Discuss the tax responsibilities of individuals. Examples include: filing a tax return, keeping good records, paying taxes due, and keeping up with new information regarding taxes. Read the following quotation made by Oliver Wendell Holmes to the class, "I like to pay taxes. With them I buy civilization". Ask the student to write their interpretation of the quotation. Have them compare and discuss their interpretations of the quotation.[B]
b. Tax reform	Have students view Teaching Aid 70 on Tax Reform Act of 1986. Discuss the new and revised deductions. Include an explanation of IRAs. Point out that this is said to have been the biggest tax procedures reform since the beginning of income tax collection in 1913. After viewing the Teaching Aid, have students answer the following: KEY QUESTIONS: What is the difference between standard deductions and personal exemptions? What do the two goals of the 1986 reform mean to taxpayers? Are these positive reforms? How do the reforms affect students? What are the IRA contributions and how does this change affect students? parents? What influence will the reforms have on property owners? Listen to a resource speaker discuss what individuals need to remember and do when filling out an income tax form. KEY QUESTIONS: Why is it important to keep accurate information? Can individuals file a tax return without a social security number? What is the name of the form(s) to be used for filing federal income tax?
c. Income tax forms	Have students fill out a copy of a 1040EZ form. Ask students to make a list of the unfamiliar terms from the form and define them. The words and their definitions might include: * *Standard deductions* - the money that non-itemizers can subtract from their taxable income. * *Personal exemptions* - the money that individuals can subtract from taxable income. Have students share definitions of the terms with the class. KEY QUESTIONS: Who is eligible to file a 1040EZ form? What documents are needed to complete the form?[B]

[B] = Basic Skill Reinforcement

Have students fill out a sample income tax form (1040). Use the following information:

- * NAME: Jane Doe or John Doe
- * ADDRESS: 111 South Sanders Street, Oak, Texas, 79777, Baker County
- * SOCIAL SECURITY NUMBER: 787-18-6666
- * OCCUPATION: Fabric Coordinator
- * FILING STATUS: single, under twenty-five, no dependents, no contributions to election fund, no dividend or interest income, wages subject to withholding for June, July, August, with total withheld: $923.85
- * INCOME TAX PAID: $75.00
- * FICA: $49.88

Use Ms. or Mr. Doe as one exemption when filling in the information on the form. Have students use the tax tables listed on the 1040 form to answer the following KEY QUESTIONS: What taxes are owed for a married couple filing jointly? How do these differ from those owed by a single filer (like Ms. or Mr. Doe)? How much is the difference? Provide a copy of the 1040 form to each student. Forms are available by request from the nearest IRS office.[B]

d. Assistance in preparing forms

Break students into small groups of four or five. Have students research sources of information and assistance for the consumer when preparing an income tax return, then report findings to class. KEY QUESTIONS: What sources are free? To whom is assistance available? How is it obtained?

Review the definition of *opportunity cost*. Relate opportunity cost to tax responsibilities. Discuss the benefits received from tax dollars and explain the opportunity cost involved. KEY QUESTIONS: What is the opportunity cost of paying taxes? How can opportunity cost be related to the excise tax on items such as cigarettes, liquor, gasoline, furs, and jewelry? on medicine a patient must have? national defense? How do individuals benefit from the opportunity cost of taxes?

6. Government legislation

Lead students in a discussion to list current problems of society that have been targets of government legislation. Examples: raising the drinking age due to alcohol related fatalities; banning smoking in public areas due to increased concern about lung cancer; seat belt laws passed due to high number of traffic fatalities; and speed limits for traffic safety. Discuss the opportunity costs related to each of the laws. Ask students to research which government agency is responsible for carrying out the legislation. KEY

[B] = Basic Skill Reinforcement

QUESTIONS: Which problems are being effectively solved by existing agencies? Which are not? Are there additional problems created by these laws? Are there arguments for doing away with these laws? What would you recommend (keeping, changing, or doing away with the laws)? What opportunities do these laws give citizens? What opportunities do citizens give up as a result?

Have students work in small groups (three to four to a group) to read case studies: Opportunity Costs and Benefits of Government Regulation on Teaching Aid 71. When students have finished reading the case studies and have answered their questions, the groups can elect a leader to present the case study and answers to the class for discussion.[B] [C]

Ask students to keep a log of activities for 12 hours. Students can use references in class to see what agencies or laws affected each activity.

The chart on Teaching Aid 72 can be used as a handout for students to keep their log of activities. One example is shown on the handout; some examples that the students might list include:

* Woke up when alarm clock rang. (Time regulated by National Bureau of Standards.)
* Ate sausage and eggs for breakfast. (USDA and FDA inspect and control food quality.)
* Used grooming aids: make-up, deodorant, lotion shampoo, soap, etc. (FDA regulates through the 1962 Food, Drug, and Cosmetic Act.)
* Read warning sign "MICROWAVE IN USE" in restaurant. (FDA controls through the 1968 Radiation Control for Health and Safety Act.)
* Ate lunch in a fast-food restaurant. (FDA and USDA regulate food quality; Public Health Service inspects and promotes sanitation.)
*Attended classes. (Department of Health and Human Services and Department of Education regulates.)
* Worked on construction crew after school. (Department of Labor controls safety through the 1971 OSHA acts.)
* Cashed a check at bank. (Banks controlled by Treasury Department and Federal Reserve Board.)
* Mailed letter. (United States Postal Service sets postage rates and delivery.)
* Rode bus to visit friends in another state. (ICC controls rates and routes.)
* Listened to radio. (FCC licenses television and radio stations.)

[B] = Basic Skill Reinforcement
[C] = Common Essential Element

* Talked on phone. (FCC controls rates.)
* Drove a car. (Department of Transportation and Department of Public Safety regulates speed.)

KEY QUESTIONS: How much does government and legislation affect your daily life? the lives of family members? Are you surprised to see how many things are affected by government and legislation? Can you think of any daily activities that have not been affected by legislation?

Ask students to interview three people such as a homemaker, representative from M.A.D.D., student, businessperson, automobile salesperson, highway patrol officer, or a representative from a government agency to get their feelings about government protection through legislation. Interview questions for students to ask may include the following: Does society gain or lose as a result of government regulation? What consumer protection should the government provide and what responsibilities should the consumer expect to assume? Why is it necessary to have state legislation in addition to federal legislation for consumer protection? How are families affected by these laws? How are individuals affected? Have students write a one or two page report on their interviews. Students can end the report with their opinions on government legislation and its effect on their lives.[B]

Lead a class discussion on the reasons consumers as a whole do not take advantage of protection provided by federal, state, and local governments and by private consumer agencies. KEY QUESTION: What accounts for the apparent indifference?

Have students debate the issues "Total control of government over consumer affairs" vs. "Total responsibility of the consumer over consumer affairs". Students should point out the advantages and disadvantages of increasing government control of consumer affairs. Students might also cover ideas, such as sources of funding for consumer protection, and the relationship between benefits of consumer protection and increased cost of products.

[B] = Basic Skill Reinforcement

CONSUMER AND FAMILY ECONOMICS
UNIT IV

COMPETENCY: *Analyze the principles of consumer purchasing and consumer assertiveness.*

SUB-COMPETENCIES: *Evaluate factors which influence consumer purchasing of goods and services.*

Identify guidelines for consumer purchasing.

Describe the rights and responsibilities of consumers.

Outline ways to protect against fraudulent and deceptive practices.

CONCEPTS

IV. Consumer purchasing and consumer assertiveness
   A. Factors which influence consumer purchasing

LEARNING AND EVALUATION EXPERIENCES

Have students brainstorm to identify factors which influence consumer purchasing. The rules for brainstorming are in Unit I. The list should include the following factors: needs, wants, personal priorities, climate, natural resources, income, occupation, peer group, advertising, spending plan, use of cash or credit, special sales and bargains, impulse buying, parent. Students can discuss and explain how the factors influence consumer buying when they add a factor to the list. KEY QUESTIONS: What should be the relationship between budgeting and buying? How might climate influence the goods and services consumers need and want? How might the location of a town influence buying? How might the natural resources of the area in which one lives affect what is bought? How might consumer buying differ at various income levels? What influence might a person's occupation have on purchases? How does a peer group influence a person's spending? How do parents influence a person's spending? How do other factors influence consumer buying?

Have students role play a situation in which a mother, father, and children have widely differing opinions on plans to make a major purchase. Students might role play the decisions involved in selecting a family car, second telephone, tent for camping, chair, refrigerator, car tires, battery, stereo, VCR, television, or camper. Students can demonstrate the influence of such factors as: amount of money available, standard of living each individual hopes to maintain, and personal preferences and satisfactions sought, personal resources (e.g., physical and mental abilities, judgment, age). Students can role play a situation involving trade-offs. The factors that influence each family member's opinion of buying items should be included in the role play. Discuss each situation after the role playing. KEY QUESTIONS: What factors should be considered in making this purchase? What options might be considered? Is there a need for an immediate purchase or can it wait? Would cash or credit be used for the purchase?

Have students work in buzz groups and discuss their reactions to trading stamps, rebates, coupons, prizes, and contests. KEY QUESTIONS: What effect do these have on buying practices? How should an individual determine whether or not to buy where trading stamps are given, coupons are accepted, or prizes are awarded?

Ask students to look at and make a list of the types of things advertised on television at different times and the types of commercials which accompany certain shows (such as cereals and toys with children's programs); or ask students to check newspaper ads on different days of the week to see what ads run and in which section they are placed (such as sports equipment in the sports section) to gain a better understanding of how advertising can influence buying practices. KEY QUESTIONS: What advertising techniques are most frequently used? How long is each advertisement? What product information is given? Which advertisements are realistic? Which ones are most unrealistic? What potential effect do these advertisements have on people (for example, do they entertain, encourage purchasing, or irritate people?) What are examples of advertisements designed to appeal to viewer egos or emotions rather than demonstrate product quality or features? Have students discuss their answers. Ask students to give some examples of how advertising is of general value to them.

Have students work in small groups, with each group member listing five purchases that he, she, or the family has made most recently. Ask students to analyze the motivations for these purchases and to classify purchases under these types of motivations:

1) Physical well-being
    a. appetite
    b. comfort and rest
    c. exercise
    d. self-preservation
2) Creativity
3) Recognition
4) Knowledge
5) Beauty and fashion
6) Recreation
7) Financial Gain

Discuss each group's analysis of purchases. KEY QUESTIONS: What other factors influenced the purchase of the five items?

Which purchases were planned? Which purchases were impulsive? Did students plan to buy some items and then change their minds? What prompted decisions not to buy or impulses to buy? With which purchases have they been most satisfied? most dissatisfied? Why? Ask students to draw conclusions regarding types of business pressures which influence purchases. Discuss how impulse buying affects consumer buying. Have students make a record of the number of items bought on impulse for one week. Ask students to keep an account of the type and cost of each impulse item. Without identifying any student with a particular list, compile all lists and make a bulletin board display of the variety of items bought impulsively by the class and the total money spent on such items, as well as the grand total spent by class members in one week. KEY QUESTION: What conclusions can be drawn from this information? Explain how a considerable amount of money can be spent and possibly wasted by an individual or a family on the purchase of impulse items.

Have students role play situations on Teaching Aid 73 to show impulsive or poor buying practices. KEY QUESTIONS: How does impulse buying affect an individual or family budget? How can impulse buying be prevented?

Refer to Teaching Aid 74 and lead students in a discussion of the Steps in Planning Purchases. Have class discuss and define each step. Ask students to work in small groups or individually to write a brief situation of an item being considered for purchase. Have the individuals or groups exchange situations and solve the question "to purchase or not to purchase the item". Students should solve the question by following the Steps in Planning Purchases. KEY QUESTIONS: Does this item satisfy needs? Is it an affordable item? Are there alternatives to buying this item? Consider the advantages and disadvantages.

B. Guidelines for purchasing
   1. Comparison shopping
      a. Be informed

Instruct students to listen to an explanation of how to get information on a product before purchasing. Explain that being informed consumers is the beginning of good comparison shopping. Main sources of information:

Advertising - Through advertising the consumer may learn about products, find out what is available, compare prices, and learn where to shop.

Government Bulletins - These are frequently free and are available on a large number of products. They may give the consumer hints on what to look for in a product.

Friends, Neighbors, and Relatives - By sharing experiences the consumer can learn more about products they use, points to consider, etc.

Labels - A good label should provide the consumer with information about contents, quality, quantity, trade name, price, how to use the product, grading, and special instructions for care of the product.

U.S. Grades and Inspection Stamps - These tell the consumer that the product has been inspected and found to be clean and wholesome and free of harmful preservatives. They may also tell what the quality of the product is.

Guarantees and Warranties - Tell what promises the manufacturer or seller makes and what their obligations are.

Magazines and Books - Frequently have articles about new products that are available and sometimes compare several products. KEY QUESTIONS: How could studying information about a product before purchasing it save the consumer time and money? Which products need different kinds of information? What are some examples of U.S. grades and approval stamps? What are examples of magazines to review to get product information? Have each student practice being an informed consumer by learning about a specific item they would like to purchase. Ask each student to bring to class an example of each of the sources of information previously discussed. Students might interview someone to get the "friends, neighbors, and relatives" source of information. Each piece of information should be related to the one product they have selected. Have students organize the information for comparison shopping. Students can share the information.

2. Decide where to buy

Have students view a flannel board or bulletin board presentation to review types of shopping facilities and their services. You might prepare shapes for the bulletin board or flannel board shown on Teaching Aid 75 or have students help in the project. Have students view the flannel board or bulletin board and explain the types of shopping facilities. Shopping facilities may be divided into three main ways to buy merchandise. The first way is retail stores. A *retail store* is a business that sells goods and services to consumers through a store, and it may be either a chain store or an independent store. A *chain store* is a member of a group of stores with the same or similar goods and policies. It is a *true chain* when all the stores are owned and operated by one company. Some independent stores join together to form a *voluntary chain* for the purpose of buying their goods and for promotional activities. On the other hand, stores that are owned and operated by the owner, instead of a company, are called *independent stores*. *Department stores* sell a wide variety of goods and services and have various departments: men's clothing, women's clothing, linens, housewares, etc. *Specialty stores* handle specifically one type of merchandise: shoes, clothes, housewares, gifts, etc. *Variety stores* sell many different items in a lower price range and are usually self-service. *Discount stores* attempt to undersell other stores on well-known brands of merchandise, and they have limited customer services. KEY QUESTIONS: What are the advantages of each type of retail store? disadvantages? What type of retail stores are located in the community?

Discuss other means of shopping which are called non-store retailers. *Door-to-door salespeople* are non-store retailers. They enable one to shop at home and see or try the products before buying them. On the other hand, it may be difficult to return items and one may not be able to compare prices. Selections are usually limited. *Mail-order* selling either by mail or telephone is another example of a non-store retailer and offers the convenience of shopping at home. Merchandise may be returned if it is unsatisfactory. Prices are usually reasonable and catalog descriptions usually provide accurate descriptions of merchandise which are helpful in making decisions. *Telemarketing* involves computer-recorded messages utilized by merchants to sell their product. It has also been frequently used by politicians as a reminder to vote. The recorded messages begin after the person who answers agrees to listen. The computer also records the listener's responses to the message. This form of retail is overtaking mail-order because it reaches 2 1/2 to 5 times the amount of people in an allotted time. However, some consumers consider these phone calls a nuisance. *Vending machines* are another source of merchandise and services in the non-store retailer category. They are coin-operated machines and provide goods on a self-service basis. They are quick and easy to use, usually have reasonable prices, and are usually available 24 hours per day. The last major source of goods and services is called *cooperatives*. These are associations created and jointly owned by their members. They are usually formed by a group of people for the purpose of jointly buying merchandise at reduced prices. Some sell only to members, while others sell to anyone. Cooperatives offer profit sharing for members–often in the form of refunds on purchases. They are frequently lower in price than retail stores. However, they may provide only a limited amount and type of merchandise. Cooperatives seldom offer many customer services and the personnel and management may be inexperienced. KEY QUESTIONS: What are the advantages of shopping from non-store retailers? What are the disadvantages of shopping from non-store retailers? Is there a cooperative in the city? What goods or services can be purchased from cooperatives? What are advantages of cooperatives? disadvantages?

Have students comparison shop for three items of their choice in various shopping facilities. Suggest that each student go to at least three facilities. Use Teaching Aid 76 as a handout to be completed by the students.

Have students break into small work groups and compare their completed checklists. Each group will decide which shopping facilities are their top three choices for the goods they were comparing. Groups can appoint a leader to report information to other groups.[C]

3. Practice comparison shopping

Have students view the transparency on Teaching Aid 77 listing questions to consider when comparing goods and services. Lead the class in a discussion of what to look for when comparing goods and services. KEY QUESTION: How would a consumer weigh the results of a comparison made on a product when the "best buy" is not obvious?

Have students participate in a comparison of different brands of a canned food product such as sliced peaches. Ask students to examine and evaluate the contents of each can without knowing which one is the most expensive or the least expensive. Compare a name brand, a store brand, and a generic label product if possible. Students can count the number of slices in each can, measure the liquid in each, check for blemishes on fruit, and note the size of the slices, etc. KEY QUESTIONS: Which product – A, B, or C – is the most attractive in appearance? Which one has the best flavor? After the class has voted, reveal the labels and prices. Determine the cost per serving. KEY QUESTIONS: Was there a difference in the amount of fruit in the different cans? Which product would the student prefer to buy? Would the others be acceptable in certain situations? Explain.

Have students work individually or in small groups to select an item for purchase. Use the Comparison Shopping Chart on Teaching Aid 78 as a handout for students to use to record information about three or four brands and at least two different qualities of the product. Each student or group should present findings on the chart to the class, demonstrating how comparison shopping can show differences in price and quality. KEY QUESTION: On the basis of this information, which item would each student buy?

[C] = Common Essential Element

Provide students with a list of food items for purchase, a list of standard retail prices for the listed foods at each of three or four markets (either real community retailers or fictitious and described in a case study), and sale prices for a few items at each store. Assuming that the quality of the products at the different stores would be acceptable, have each student compare the costs (money, time, gas, etc.) and plan the purchasing for an employed single adult, a single parent with infant, dual-role married homemaker/wage earner, full time homemaker with spouse and two young children, and an elderly or handicapped person. Students can discuss their answers.[B]

Ask students to use the information on the Comparison Shopping Chart to predict which type of store would have the lowest prices for buying specific items such as personal care items, clothing, food, etc. KEY QUESTIONS: Is it sometimes cheaper to go to only one store to buy all these items? Can one save money by traveling to different stores? Explain why, why not, or determining circumstances. How can "specials" and promotional sales affect information on the chart?

4. Factors affecting housing choices

Have students listen to an explanation of factors affecting housing choices, including: human factors (lifestyle, personal priorities, goals, needs, and wants), stage of family life cycle, skills (abilities and other human resources), and environmental factors (amount and stability of income, family mobility, safety, culture, social, technological, physical, and governmental influences). Have students give an example illustrating each factor explained.

Ask students to write a one-to-two page case situation illustrating housing considerations appropriately or inappropriately managed. The case study should include the factors affecting housing choices. KEY QUESTIONS: What are the advantages and disadvantages of the housing situation? What future housing goal does the family have? What factors are responsible for them reaching these goals?[B]

Have students identify their personal priorities in choosing a home by taking the Housing Priorities test on Teaching Aid 79. the key to the test is: Family centrism priorities measured by scores on items 1-5. Equality priorities measured by scores on items 6-8. Physical health priorities are measured by scores on items 9-13. Economy priorities are measured by scores on items 14-19. Freedom priorities are measured by scores on items 20-24. Aesthetic priorities are measured by scores on items 25-27. Mental health priorities are measured by scores on items 33-40. KEY

[B] = Basic Skill Reinforcement

QUESTION: What are each student's three top priorities for housing?

Lead a class discussion on the family life cycle and the housing needs of each cycle. Discussion should include the eight stages:

* Beginning family – married couple, no children
* Childbearing family – oldest child 0-3 months old
* Family with preschoolers – oldest child 2 1/2 to 6 years old
* Family with school children – oldest child 6 to 13 years old
* Family with teenagers – 13 to 20 years old
* Family as launching center – from time first child leaves to time last child leaves
* Middle-age parents – from empty nest to retirement
* Aging family – from retirement till death of both partners. KEY QUESTION: What are the housing needs at each stage of the family life cycle.

Have students use the housing selection work sheets on Teaching Aids 80-81. Using the description of family life cycles and the descriptions of housing, students can match the families to the most appropriate housing. In small groups, students can compare and justify their choices. As a group, students can give their justifications and final decisions on appropriate housing.

Select a variety of floor plans from newspapers, magazines, and textbooks for students to look at to relate types of housing to the family life cycle. KEY QUESTIONS: For what stage(s) in the family life cycle would each house be suitable. Which of the plans can be altered to meet the housing needs as they change throughout the family life cycle?

Invite a banker, Federal Housing Administration (FHA) representative, and a savings and loan association representative to discuss types of loans available, sources of loans, the amount you can borrow from each source, down payment requirements, interest rates, length of loans, and special features or characteristics of each type of loan. Have students become familiar with the following terms before speakers arrive: prepayment privilege, open-end mortgage, package mortgage, fixed-rate mortgage, variable-rate mortgage, equity, amortization, insured loans, and escrow accounts. To enable students to see more clearly what credit actually costs, develop a visual aid, such as a transparency in chart form, showing current figures for interest rates, terms (length) of loan, sum of the monthly payments necessary to pay off an amortized mortgage for a given amount, total amount paid at end of loan, and the amount applied to principle and interest.

Explain how different interest rates and time periods affect the same loan. Computer programs are available on loan amortization. Students can evaluate and compare costs on the computer and gain an understanding of loans, principle, and interest rate.

Divide students into three groups to research various aspects of buying, renting, and building a home. Have each group elect a leader to direct the group's study. Students should include information such as: housing available, costs, legal rights and responsibilities, advantages, and disadvantages. Students should research all costs involved, such as taxes, insurance, repairs and maintenance, utilities, deposits required, etc. KEY QUESTIONS: What percentage of income do various references suggest that a family or individual spend on housing? Would this student prefer to rent, buy, or build a new home in today's economy? Explain your answer.[C]

Have students debate home ownership vs. renting. When pointing out the advantages and the disadvantages of home ownership and renting, students should compare all costs discussed in previous learning activities. KEY QUESTION: Can a firm recommendation be made that it is always better to buy or to rent? Why or why not?

Have students study the classified ads for information on homes for sale or for rent. On the basis of descriptions given, have students choose four homes for sale that especially appeal to them. Students should list the following information about each home: price and terms for financing, house sizes, and special features. They should also list the same information for four rent houses. Students can discuss and compare findings. Students might visit several of the homes for sale and for rent that sounded desirable from the advertised descriptions. They should visit homes of different price levels. In order to evaluate the housing, students should take notes on the following features: privacy, accessibility to facilities and services considered desirable, character and appearance of the community and neighborhood, and other significant features. Students can discuss written observations and evaluate the houses in class. They should also compare the rental properties with those for sale, then list the advantages and disadvantages of each. Students can develop a three-column chart for comparing the costs of renting with the costs of buying. In column one, expenses should be listed: rent, mortgage payments including principal and interest, taxes (if not included in mortgage payment), insurance (if not included in mortgage payment), closing costs, utilities (those not included in rent – electricity, gas, water, repairs) maintenance; services (garbage disposal, parking, yard

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[C] = Common Essential Element

care, etc.), and other costs. KEY QUESTIONS: What economic advantages and disadvantages does this chart reveal for renting? for buying? Is there a tax advantage to buying a house? Explain.

Have students study the classified ads to obtain the information outlined below. If students do not live in a city or a large town where a variety of housing is available, newspapers from other cities can be used. Ask the students to find the cost of renting three different furnished apartments that, assuming the description in the ad is accurate, they would consider desirable for themselves and a roommate. KEY QUESTIONS: What services and restrictions are listed? What features are appealing and make these apartments good choices? Which bills, if any are paid? Have students find the same information about three unfurnished apartments that sound attractive. If possible, students will need to find the cost per month of water, electricity, gas, sewage, and garbage disposal from at least two tenants whose rent does not include these costs. They can share information in class and find the average cost of these services. KEY QUESTION: How do the costs of renting an apartment with bills paid compare with renting an apartment where the tenant pays the bills?

Lead a class discussion on landlord-tenant lease agreements. Point out the law in the state for landlord-tenant agreements. Obtain copies of leases and have students study them to determine the rights and responsibilities of the renter and the owner. Ask students to refer to class references for points to check in the lease agreement. Discuss security deposits usually required of renters. KEY QUESTIONS: What are the obligations of the tenant and the landlord? Is a lease binding?

5. Factors affecting transportation choices

Have students brainstorm to identify the different reasons families and individuals need and want transportation. (Rules for brainstorming are in Unit I.) Discuss these reasons. Reasons might include: fun, independence, convenience, prestige, and transportation to and from relatives, work, school, dates, grocery store, recreation, vacations, etc. KEY QUESTIONS: Why do Americans rely so heavily on transportation? Why does one need transportation? Do all Americans rely on individual transportation? What forms of transportation are available in the local community?

Write, on index cards, six factors for choosing between public and private transportation. The cards should read: time, cost, convenience, flexibility, safety, and opportunity costs. Tape the cards underneath six chairs. Have students look under their chairs to find who has the cards. Read aloud the following descriptions of the factors and have students bring up their factor when appropriate. Descriptions of the factors to read:

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- * This allotment will depend on distance to travel and area lived in. (TIME card)
- * Public transportation is cheap; while private transportation varies from free walking to purchasing and maintaining an automobile. (COST card)
- * Depending on area lived in, public transportation can ease parking dilemmas in larger cities; however, in smaller towns private transportation may provide an easier way to travel. (CONVENIENCE card)
- * Depending on schedules, private transportation may be easier when considering this factor. (FLEXIBILITY card)
- * Both private and public transit may have this factor as a concern, especially when travelling in bad weather or at night. (SAFETY card)
- * Consider pollution of environment by private transit and cost to consumers of public transit. (OPPORTUNITY COSTS card)

Have students work individually and list five advantages and five disadvantages of public transportation and private transportation. Students should consider the six factors previously discussed. KEY QUESTIONS: Why are different factors more important to some people? Why does family size and ages of children affect decisions on the form of transportation to use? What forms of public transportation are available in the community? What forms of private transportation are utilized? What can be done to ease the rush hour traffic problems (if any)? Is car pooling a good alternative?

Have students work in groups and determine the cost in terms of transportation to buy a new car, buy a used car, or to lease a car. Caution students to be sure to include such factors as: purchase cost (down payments, availability of financing, interest rates), taxes, options, maintenance, operation costs, insurance, licenses, and trade-in value. Ask students to report findings to class in order to compare and evaluate results.

Ask students to work in groups and use Teaching Aid 82 to determine costs of operating a specific automobile. Have students prepare a spending plan to cover automobile costs, using a personal family car. Students should keep an actual record of costs for one month. Have students evaluate their spending plan in relation to actual experiences recorded. Students can share their findings with the class.

Have students listen to a symposium composed of a banker, car dealer, and representative from a small loan company to identify factors to consider when buying a car on credit. Students can prepare a list of questions ahead of the symposium to ask the speakers. Ask the speakers to discuss how they finance a car, the difference between paying interest on the original value and on the declining value, and whether it is cheaper to pay cash for a new car. KEY QUESTIONS: What is meant by make and model of the car? What alternatives are available in equipment, engine, car sizes, etc? What are some guides for selecting a type of engine? What are the advantages and disadvantages of options? How do they affect the price? When is the best time to buy a car? Why is the dealer important? What does the warranty mean? Of what value is it? What can be found out about used cars from on-the-lot driving and shop tests?

Have students work in small groups to compare the different interest rates and payment periods (3, 4, and 5 years) to the total cost of the car on credit vs. cash. Three groups can take one payment period and the fourth group can work on cash prices. Groups can combine information and figures to make the comparison.[B]

Have students apply their knowledge to solve the following situation: A person needs a car immediately for a job. Since the person does not have enough money to pay cash for the car, the car must be bought on an installment plan. Ask the students to briefly explain how they would buy the car and set up payment arrangements. Students can use a computer program to figure finance costs and to illustrate, compare, and evaluate different interest rates and lengths of loans. KEY QUESTION: What factors should one consider in using credit?

Ask students to list automotive products commonly used in operating a car such as tires, batteries, oil, car parts, etc. Have students divide into groups with each group taking one category of products to research. Students can describe alternative forms of products available, point out various places where the products can be purchased, and the advantages and disadvantages of buying from each source. Students can study references, compare such places as discount stores, services stations, wrecking yards, and auto parts houses, if applicable to their products. Students can share findings and discuss ways to reduce the cost of automobile products.

Have students select a car advertised in the classified section of a newspaper. Ask students to describe the procedures they would go through before deciding if this was the car they wanted. The students should consider the following guidelines when selecting a car:

[B] = Basic Skill Reinforcement

1) What is actually needed?
2) What can one afford?
3) Which dealer has the best service for guarantees?
4) Will the car have a good resale value?
5) Is the dealer reputable?
6) Do you understand and agree with the sales contract?
7) Were the following checked on the car?
   * doors (open and close)
   * seat belts and/or shoulder harness
   * tires (wear)
   * steering
   * brakes
   * signs of leaks
   * battery
   * interior (upholstery, radio, air conditioner, heater, etc.)
   * exterior (paint, lights, chrome)
   * windshield wipers

KEY QUESTIONS: How can one determine the condition of the exhaust, suspension, transmission, motor performance, etc.? How would a warranty protect the consumer on items such as the transmission exhaust, suspension, etc.? What is the disadvantage of buying a used car from a private owner or at a government or bank auction? Why should the car being considered for purchase be checked "in the driver's seat, on the road, and under the hood"? What specifically should the consumer be careful about in buying a used car? Why would it be a good idea to have a mechanic check the car? Why should the consumer be aware of odometer tampering?

Have students interview an automotive course instructor or a mechanic for tips for keeping the running cost of an automobile low. KEY QUESTIONS: What regular protective maintenance is required on cars? What corrective maintenance is commonly required? How can the average consumer protect him or herself against fraudulent practices by repair shops? What basic maintenance skills should drivers of cars have in case of emergency? What equipment should be carried in the car for safety? Where can students learn basic mechanical skills in the community?

6. Factors affecting family clothing choices

Allow students three-to-five minutes to write down why they think clothing choice should be a family or an individual decision. Have students share and discuss their answers. KEY QUESTIONS: Why do people need to express their individuality in their clothing? What do individuals communicate through clothing? How is clothing used as a means of satisfying basic needs? How does clothing give a clue to one's personality? Why is it important for a person to clarify her or his personal priorities and goals concerning clothing? How can an opinion of another person be formed by his or her dress? Explain. What personal priorities are expressed by clothing? What role does clothing play in daily life?

Ask students to find a cartoon, editorial, or quotation that illustrates factors such as personal priorities and roles as they relate to clothing. Have students write a short paper interpreting what the author is communicating. KEY QUESTION: How are the author's personal priorities and goals different or similar to the student's own? Students should include the author's view and their own view as well as similarities and differences. Have students present their interpretations to the class. As presentations are made, students can discuss, agree, or disagrees with the interpretations.

Ask students to bring to class several pictures of clothing from magazines, catalogs, or newspapers. Have students decide what the clothing communicates to them about the person wearing it. Ask students to present their ideas to the class and follow with a discussion. After all class members have made their presentations, prepare a poster or bulletin board titled, "Clothing Says A Lot," using outstanding examples.

Have students review the stages of the family life cycle and discuss clothing needs and wants at the various stages. Stages of the life cycle are listed in Unit I of this curriculum. KEY QUESTIONS: When is there the most demand on the clothing budget? the least demand? What can families to do ease the clothing budget when the greatest demands are being made on it? How do clothing wants and needs change during the different stages? What are some common times of the year when the demand for clothing seems to be greatest? Why? How do clothing demands differ with families in different situations, such as a single adult, a family with four school-age children, and a young married couple?

Have students brainstorm to list factors one should consider when shopping for clothing. Factors should include price, quality, durability, color, style, care needed, guarantee, number needed, fabric, time of purchase (season or nonseasonal), place of purchase, method of payment, etc. Discuss how the factors listed affect clothing selection.

Have each student bring a clothing or fabric label to class. Discuss how the labels help consumers make clothing selections. Have students compare the labels with the Points To Look For On Tags and Labels handout on Teaching Aids 83-84. KEY QUESTIONS: What information is included on the label? What does "Made in U.S.A." mean? What additional information would a consumer need before purchasing the article? What information is required by law? How do these laws benefit the consumer in purchasing clothing or fabric?

Have students write their own definition of a *wardrobe plan*. Students can share and compare definitions. KEY QUESTIONS: What is a wardrobe plan? What is the advantage of planning a wardrobe? Do students follow a wardrobe plan of any kind? If so, is it written? What is the advantage of a written plan?

Have students complete the clothing inventory work sheet found on Teaching Aid 85 to check their wardrobe for the coming season. Students should analyze personal clothing preferences, inventory clothing in wardrobe, decide what is needed, and determine the approximate cost of carrying out the plan. The plan worked out should be confidential, but students who want to can report to the class on the plans they work out. They can explain how the wardrobe plan was developed and their reasons for such a plan. KEY QUESTIONS: Does the wardrobe plan suit the personality, wants, and needs of the individual? How well did the student build on the existing wardrobe? Is the plan workable with a clothing allowance? Has recycling or sewing garments been considered?

7. Factors affecting food choices

Lead students in a discussion of the importance of food for good health. Point out that good food provides: nutrients, energy, healthy appearance, growth, etc. KEY QUESTIONS: Why is food important? What are some of the factors that influence a person's food habits? How have food habits changed in the past several years? Why? (Have students consider such factors as the change from rural to urban living, increased education of the homemaker, and availability of fresh fruits and vegetables.) Why are food habits difficult to change? What does food mean to the individual? What are some factors that influence food habits? Why should teenagers be very concerned with eating properly? Do teenagers eat properly? Why do America's teenagers eat so poorly? What can be done to help this age group improve their eating habits? What are some ways in which consumers' food money is being wasted? How can people attempt to change food selection habits?

Have students view the handout on Teaching Aid 86 to discover the Basic Food Groups. KEY QUESTIONS: What do the Basic Food Groups offer to diets? What do fats and oils provide to the diet? sugars and sweets? What foods in each group are most expensive? least expensive? How important is knowledge of the Basic Food Groups in purchasing food? Why is it important to know the daily recommended number of servings from the food groups? How can this knowledge create a better consumer?

Assign students a paper to write explaining the reasons Americans use 1/4 of their income to purchase food. Students can discuss their papers and debate the use of 1/4 of their income for food.[B]

After students have studied Teaching Aid 86, have them complete the Food Group Roundup on Teaching Aid 87 to identify serving sizes for food in each group. KEY QUESTIONS: What nutrients are provided by each food group? Why is each nutrient needed by the body? Answers to puzzle:

1) Biscuits
2) sheLlfish
3) Cantaloup
4) nooDles
5) mAcaroni
6) bEef
7) yogurT
8) soybEans
9) pastrIes
10) cottAge cheese
11) taNgerines
12) salaD dressing

SECRET WORD: Balanced diet
DAILY FOOD GUIDE: See Teaching Aid 86 to check answers.

Ask students to collect articles, ads, and pictures about health foods, fads, and fallacies, or nutritional misunderstandings, to share with the class. Show how health foods, fads, and fallacies affect the grocery bill. KEY QUESTIONS: Identify the good and bad points about health foods? How does the nutritional value compare to the cost of various health foods? What fads and fallacies are currently widespread? Which pictures or ads represent your favorite foods? What portion of the food budget goes to "junk food"?

Have students bring to class three labels from foods at home. Have students look at the transparency on Teaching Aid 88 and discuss information found on the label. KEY QUESTIONS: What information on the label is mandatory? voluntary? On what products is nutrition labeling often found? What additional labeling could help the consumer? What additional information might consumers like to see on the label, such as net drained weight, open dating, percentage of all ingredients, nutritive content, additives, etc. As an alternative activity, students can compare lite, low calorie, natural foods, etc.

Have students list as many factors as they can which influence the size of a family's food budget. Students can compare their lists. Discuss the various stages in the life cycle in relation to food selection and preparation. KEY QUESTIONS: What resources are available during each stage in the life cycle? When do family

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[B] = Basic Skill Reinforcement

members have the most time to prepare food? least amount of time for food preparation? most energy? least energy? most income? least income? How do food needs change during the family life cycle? What factors affect the choices of resources to use at the various stages?

Provide students with food advertisements from recent newspapers to see how ads can be used in planning. Have students select several items to compare price and quality of brand name items to store brands. Ask students to individually, or in teams of two, price one of the items at a local store and write down the price of a nationally advertised brand and the price of a similar quality store name brand. Discuss the findings of all class members and point out how costs compare. To further illustrate comparison shopping, purchase both a store brand and a national brand of one of the products. Have students taste the prepared product in both forms and analyze any differences in quality. KEY QUESTIONS: How do prices vary at the same store with different brands of the same item? Are there differences in the quality? Which is the better buy?

Have students explain how the following practices can affect the amount of money spent on food: impulse buying, purchase of non-food items, and eating out. Students can use references for information on the effect of each practice. KEY QUESTIONS: Why is it important for the consumer to be aware of these effects?

Have each student compute the cost of a restaurant meal and the cost of the same meal prepared at home. They should consider costs such as fuel, time, etc. Students can report their figures to the class and show how the practice of eating out affects the food budget.[B]

8. Factors affecting the selection of services

Have students make a list of the services that may commonly be purchased during the past six months. Have students relate the services to the stages of the life cycle. The students can compile findings under the following headings to determine what type services may be used most frequently.

Personal services – dry cleaners, beauty shops, laundries, barber shops

Institutional services – government services, such ss postal and city services, education

Professional services – doctors, lawyers, dentists, accountants

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[B] = Basic Skill Reinforcement

Household assistance – yard care, house cleaning, child care, house repair

Repair services – appliances, equipment, cars, television sets, etc.

Financial services – banking, credit, insurance, and investments

Public utility services – gas, electric, water, telephone

Other services

KEY QUESTIONS: What are the similarities and differences between buying services and buying goods? Is it easier or more difficult to purchase services? Explain. Why is it important to know how to shop effectively for services? What factors make it necessary to purchase services?[B]

Have students role play the following situations in order to explore what the buyer and seller of a service expect of each other.

* Hiring a person for household help, baby sitting, setter for handicapped person, or yard care (Household assistance)
* Making an agreement between a parent and an orthodontist to begin the process of having a child's teeth straightened (Professional services)
* Taking a television set into a shop to have it repaired and adjusted (Repair services)
* Making an appointment for a hair-cut (Personal services)
* Setting up a checking account with a bank (Financial services)
* Having a long-distance calling service added to local telephone service (Public utility service)
* Hiring a tutor to improve skills in math (Personal services)

Discuss the role play situations. KEY QUESTIONS: What procedures did the buyer use to get the best service for his or her money and avoid problems or misunderstandings? How might the buyer in a situation improve his or her procedures for buying services?

Have each student select a service they are interested in buying and ask them to investigate at least three sources from which they could get this service. Ask students to analyze the service available from each source, taking notes on advantages and disadvantages. Students can then decide where they would purchase the service and explain their selection to the class. Guide students in selecting

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[B] = Basic Skill Reinforcement

services which relate to them. For example, car owners might need automobile repair service. The following format can be used for the reports:

SERVICE NEEDED: (Describe the service and reasons for the need.)____

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SOURCES OF SERVICE: (Compare the service as it is available from each source.)

SOURCE #1	SOURCE #2	SOURCE #3
Adv./Disadv.	Adv./Disadv.	Adv./Disadv.

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SOURCE SELECTED: (Tell which source was selected and give the reason for the choice.)____

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Have each student prepare a list of vital services available in the community which a family may need at some time. Beside each service listed, write the address and phone number for contacting this service. Examples of vital services are physicians, police and fire departments, hospitals, ambulances, sheriff's office, a pastor, and others the individual considers important. Ask students to compare their list with others and make any necessary changes. Students might want to laminate or place a protective finish over the list. The list can be placed near the phone at home.

Divide the students into seven groups or pairs to research a service available in the community to become more aware of the skills required in selecting services. Assign each group or pair one of the following categories of services:

* Personal
* Institutional
* Professional
* Household
* Repair
* Financial
* Utility

Ask each group or pair to interview a professional in the community associated with their category. The following question should be answered and reported to the class in an oral presentation accompanied by a chart or drawing as a visual aid:

1) What is the current cost of the service?
2) What are ways to reduce the costs above?
3) Have these costs increased or decreased over the past five years?
4) What is the projected cost of this service in five years?
5) What alternatives to this service are available from other sources?
6) Are there guarantees or warranties on this service? Why?
7) Is there much competition for providing this service?
8) What backgrounds (education, years of experience, etc.) do the people have who provide the service?
9) Was the business offering the service checked through the Better Business bureau?
10) Why do people need this service?
11) What would be the result of not having this service available?
12) Does the consumer's family need this service now (or in the future)?

C. Rights and responsibilities of consumers

Have students view the visual aid Basic Consumer Rights on Teaching Aid 89. Discuss the rights of the consumer as outlined by President Kennedy and point out that the right to redress and the right to consumer education were added by other presidents later. Students can view Teaching Aids 90-91 as the rights of consumers are being discussed. Define the six rights as follows:

1) *The right to be informed* – protection from false and misleading information on ads, labels, etc. KEY QUESTIONS: What are some sources of information about goods and services? Where can individuals find information about recent developments and new products? How does the use of this information affect the consumer's right to be informed? What could be the result if many consumers asked for similar information not given about a particular product? If consumers have the right to expect use and care instructions and performance claims, what responsibility goes with this right? How can consumers lose this right? (The

consumer's main responsibility here is to use the information which is available. Look for information about items consumers want to buy so the items can be compared and judged.)

2) *The right to safety* – protection from goods and services dangerous to health or life. KEY QUESTIONS: How does the consumer know if a product is safe? How do consumers influence the right to safety when they buy goods without first examining them for safety features? What kind of information are consumers responsible for getting before they buy goods or services? What should a consumer do if the performance of goods or the results of services are not safe? How might the right to safety be influenced if no one reported faults? How does the study of safety ratings help meet the consumer's responsibilities to their right to safety? What are some reliable sources of safety ratings? What makes them reliable sources? What might happen to these sources, and to the consumer's right to safety, if consumers do not take advantage of the information offered to them? (The consumer's responsibility here is to use the goods safely. Use goods as they are meant to be used and follow instructions for their care and up-keep.)

3) *The right to choose* – assured of a number of goods and services at competitive prices. KEY QUESTIONS: What are some pressures that consumers should take responsibility for resisting? How does buying form habit hurt the consumer's ability to be selective? How does the responsibility to do comparative shopping affect the right to choose? How can the consumer determine whether or not products or services are produced efficiently? What relationship is there between efficient production and fair, competitive prices? What are some products that represent a needless waste of limited natural resources? of human resources? In what ways are consumers dishonest in their dealing with merchants and repair people? How does this affect the right to choose? (The consumer's responsibility here is to choose wisely. Consumers should use their purchasing power to help build ethical business practices. This will help the businesses produce safe and reliable products.)

4) *The right to be heard* – assured that consumer interests will be heard in legislative and judicial proceedings. KEY QUESTIONS: What should consumers do if they discover irresponsible industries, merchants, or repair people? How does the writing of protest letters help meet the consumer's responsibility to the right to be heard? Why is it the consumer's responsibility to know where to go for help? What do many consumers tend to do because they do not know where to go for help? How do their actions affect the consumer's right to be heard? (One of the consumer's responsibilities is to suggest product improvements.

Have students select a product or service and think of some suggestions for improvements of that product or service. The suggestions can be sent to the company if they seem to be applicable or original.) How much information should consumers give merchants when shopping for a product or service? How does this information help the consumers get what they want? Why is it important to write congressional representatives about consumer problems? What difference does writing congressional representatives make? Does the informed consumer have more right to be heard than one who is not informed? Why or why not? (The consumer's responsibility here is to be heard. Consumers should express if they are happy or have complaints about the product. Going through these correct steps helps give necessary information to producers about products.)

5) *The right to redress* – assures consumers that they will be able to seek correction of wrongs against them. KEY QUESTIONS: What might a consumer do if a new automobile was purchased three months ago, and the radio no longer works? The car dealer says that they do not have anyone who repairs radios and thus cannot repair it. What steps should the consumer follow? How might the consumer handle the following situation: 1) The magazines which a consumer purchased three months ago from a door-to-door salesperson have not arrived, and the consumer is unable to contact the sales person. 2) How might the consumer act if, because of a newspaper ad, the consumer made a special trip to the drugstore to purchase a bottle of shampoo for $1.95. The regular price is $2.95 for the shampoo. At home the consumer finds that the register receipt shows a charge of $2.95. How should the consumer react? What can the consumer do if the drugstore will not change the price? (The consumer's responsibility here is to seek redress. If problems have to be changed, consumers should follow through with them until the consumer is satisfied with how the problem is handled.)

6) *The right to consumer education* – assures consumers of providing ways for them to learn about basic consumer rights and responsibilities. KEY QUESTIONS: How does the government give citizens opportunities for consumer education? Identify situations in which consumers have needed to be better educated. What are some publications, pamphlets, workshops, or seminars that educate citizens as consumers? What year was the right to consumer education created? Which President added the right to consumer education? (The responsibility here is to seek opportunities for education and keep current on consumer protection laws.) [C]

[C] = Common Essential Element

CONCEPTS **LEARNING AND EVALUATION EXPERIENCES**

Have students fill out the Am I A Responsible Consumer work sheet on Teaching Aid 92. Instruct students to consider their last consumer purchase which might be an item, fast food, meal in a restaurant, etc. When students have completed the checklist and answered the last three questions, post the following rating on the chalkboard:

3 "yes" – a responsible consumer
2 "yes" – on the right track
1-0 "yes" – an irresponsible consumer

Students can participate in class discussion groups of three to four each to analyze their consumer habits. KEY QUESTIONS: What consumer habits need to be changed? How did each individual, as a consumer, use the rights identified in the consumer bill of rights? How do citizens, as consumers, take the responsibilities that go along with the consumer rights? How would consumers not accepting their responsibilities result in infringement on their consumer rights?

Have students dramatize situations to see how consumers should use their rights and responsibilities:

* Buying food for the family
* Buying children's toys
* Buying clothing (e.g. sleep wear)
* Buying electrical appliances (e.g. heater)
* Having a prescription filled
* Ordering an item by mail (e.g. a record album seen on a television ad)

Assign students to read one of the following books or other similar current books to become familiar with some of the consumer problems in society. Have students summarize contents and report to the class. Point out how the problems discussed require consumers to exercise their rights and responsibilities. Other books may be added to the following selections:

The Spenders by Stuart Henderson Britt
The Tastemakers by Russell Lynes
The Hidden Persuaders by Vance Packard
The Waste Makers by Vance Packard
The Status Seekers by Vance Packard
The Naked Society by Vance Packard

Have students rotate the responsibility of writing a newspaper column each week for several weeks on "Consumer Citizenship" to stimulate interest in consumers' rights and responsibilities.

CONCEPTS | **LEARNING AND EVALUATION EXPERIENCES**

Obtain permission to have the column published in the school or local newspaper.[B] [C]

D. Consumer protection against fraudulent deceptive practices
   1. Producer's behavior

Have students view Teaching Aid 93, Figured for Fraud, to initiate class discussion of fraud in the marketplace. Ask students to cite examples of various types of consumer fraud that they or their families have experienced. Then, have students examine Teaching Aids 94 and 95 on deception and quackery which are other types of consumer fraud. Quackery usually is involved with medicine, cures, or nutrition. Give examples of quackery. KEY QUESTIONS: What are some instances of consumer deception? How can one determine fraud, deception, and quackery practices in time to avoid them?

Ask students to list three examples of fraud. Have students describe the problem and name the type of fraud. Students can discuss what could have been done to prevent them or the person involved from being a victim. Example of problem: Sally read a local clothing store's ad "50-60% off ladies jeans". She went to the store and selected a pair of jeans with the brand name from the rack. When she went to pay for the jeans, the clerk charged Sally full price. When Sally protested, the clerk explained that the sale jeans were on another rack in the back of the store. Type of fraud: bait and switch. KEY QUESTIONS: How could the fraudulent situation have been prevented? What danger signs should be watched for to avoid being cheated? How can the consumer obtain reliable information about businesses?

Provide students with magazine or newspaper ads. Have them work individually or in small groups to select an example of each of the following advertisement frauds:

1) Exaggerated statements or claims
2) Testimonials from unauthorized sources
3) Misleading price information
4) Unfair criticism of competition
5) Unsupported claims made by authorities.

Students can discuss ads and types of frauds.

   2. Consumer's behavior

Have students interview store managers to learn how consumers cause prices to increase. KEY QUESTIONS: What are the effects of shoplifting on business? unnecessary return of goods due to careless buying? refunds resulting from a consumer mishandling products? make-up stains on clothing that has been tried on in a

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[B] = Basic Skill Reinforcement
[C] = Common Essential Element

dressing room? How can the public be informed of the way in which their consumer practices increase the cost of goods and services? Have students summarize by writing "Cost Cutting Consumer Guidelines" reflecting their findings on consumer behavior.[B]

Have students design posters illustrating ways that consumers can help keep prices down and reduce store losses. Share posters by displaying them in halls or cafeteria. Store managers may be interested in displaying the posters in their stores.

Have students show through role play how the reactions of a consumer could vary in situations such as the following one: a clerk short-changing the customer vs. a clerk giving the customer too much change. KEY QUESTIONS: What rights are involved in the situation? What ethical responsibilities of consumers are involved in the situation? How might reactions of individuals vary? What might contribute to the reactions? How does a person's reaction reflect his or her personal priorities and goals? What would you do in a similar situation?

Invite a panel to class to discuss consumer ethics and producer ethics. The panel might include a grocery store manager, an advertising representative, doctor, department store clerk, or lawyer. Explain to students that ethics are moral values which govern an individual's behavior. Ask students to prepare questions to ask the panel prior to the presentation. KEY QUESTIONS: What is the extent of the consumer problems in the community? What is the frequency of complaints regarding fraud, deception, or quackery? What measures can be taken to lessen or prevent deceptive practices?

3. Consumer assistance and redress

Have students study references to learn about services provided by consumer organizations and the following consumer-sponsored agencies? Consumers' Research, Inc.; Consumers Union of United States, Inc.; Consumer Cooperatives; and Cooperative League of the U.S.A. Additional information can be found on Teaching Aids 96 and 97. KEY QUESTIONS: What contributions do these groups make to consumers? How do they help with consumer redress? What are examples of complaints that consumers might take to each of these organizations? Which of these organizations are available in the community? If not in the community, where are the nearest available services provided? What publications are prepared by each? What information is included in the publications? Is advertising used in the publications? Why or why not?

[B] = Basic Skill Reinforcement

Have students divide into two groups. One group will represent Consumers Union and the other will represent Consumer's Research, Inc. Have each group answer the following questions about their agency:

1) What is the difference between the methods used by Consumers Union and Consumers' Research to evaluate products?
2) How do manufacturers feel about Consumers' Research, Inc. and Consumers Union?
3) How can their attitudes be explained?
4) Which type of information would be considered most reliable: a product evaluation published by Consumers Union, a test report issued by a manufacturer, or a testimonial given by a satisfied customer? Give reasons for the answer. Each group can present their report to the class.[B]

Invite a speaker from the Better Business Bureau to discuss the services of the BBB. KEY QUESTIONS: What services are provided by the BBB. What fraudulent practices can be prevented or remedied by the BBB? What are some common consumer complaints? How do people register a complaint with the BBB?

Have students brainstorm to identify ways to show disapproval of a product available to a consumer. Make a class list. The list should include the following: 1) Refuse to buy, 2) Buy only products which are truthfully advertised, 3) Do no buy from a store that uses poor advertising practices, 4) Notify store managers, manufacturers, or other appropriate groups of reasons for not purchasing the product, 5) Buy only products whose advertising is informative, etc. KEY QUESTIONS: What are possible results when a number of consumers show disapproval of a product? How effective is it when one consumer voices disapproval, as compared to many disapproving? Have students view Teaching Aid 98 to see possible resources for consumer complaints. KEY QUESTION: How do each of these resources help with consumer redress?

Have students discuss the steps to using a small claims court. Discuss the following:

1) Must be 18 or have an appointed "friend in court" to speak for a person
2) Handle claims from $200 – $300
3) File a suit in home district (include amount of claim, name of defendant, pay filing fee of $10 or less)
4) Summons is given to defendant stating trial date (pay serving

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[B] = Basic Skill Reinforcement

fee-$10 or less)

5) At trial, defendant and plaintiff give sworn testimonies

6) Judge will announce decision in favor of plaintiff or defendant. As an alternative activity, students could have a local mock "People's Court" and bring up actual cases.

Discuss the guidelines for writing a letter of complaint on Teaching Aid 99. Point out the correct form for writing a letter of complaint and for addressing the envelope as illustrated on Teaching Aid 100. Have each student write a letter of complaint concerning an item that does not satisfy them or a recent experience of a friend or family member. KEY QUESTIONS: What points should be covered in each letter of complaint? To whom should each letter be mailed? Should the letter be written formally, or could it be jotted down on a bill or statement? Why?

4. Consumer representation in economic and political decision-making process

Have students view Teaching Aid 101 to gain a better understanding of the role of consumers and political groups in our economy. KEY QUESTIONS: How do workers, consumers, and citizens affect government, banks, and businesses? What decisions do citizens make that affect political decisions? What decisions affect consumers? How important is the consumer to today's economy? What is the consumer's status compared to that of business or government? What is the role of an intelligent consumer citizen?[C]

Have students study recent references to identify current economic issues facing today's consumer. Ask students to list issues located for class discussion. Issues may include tax reforms, consumer legislation, welfare, social security, fraudulent advertising, safety of toys, household products, etc. KEY QUESTIONS: How has consumer representation affected these issues? How has government been involved with these issues? Did consumer representation influence the political decision-

Have students identify goods and services sold by a food market, car dealer, and a laundry service, and then write answers to the following questions: Which of these goods and services should consumers have provided themselves? Which goods and services could persons not provide for themselves? Why are consumers not entirely self-sufficient?

Lead a class discussion on how the family change from a productive unit to a consuming unit has increased dependence on national conditions for economic well being. KEY QUESTIONS: How has increased dependence on the government led to a need

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[C] = Common Essential Element

for consumer representation? How does the individual, as a consumer, affect the national economy?

Ask students to study references to learn the role of the individual and the family in the functioning of the economy. KEY QUESTIONS: Why do people work? How do the individual consumer activities of spending, borrowing, saving, and investing influence the political decision-making process of a nation? How does the political decision making of a nation influence the personal activities of spending, borrowing, saving, and investing?

Lead a class discussion on the definition of *economic voting* by consumers. Point out that economic voting is simply spending money; every time a product is bought the consumer is "voting" for that product by influencing manufacturers to keep the product on the market. Ask students to identify the decisions they make in the next 24 hours that express their preferences, such as choice of a cold drink or a candy bar or the decision to save some of last weeks's income for future use. Students can make a list of the choices and decisions made in the past week that are economic votes. KEY QUESTIONS: How seriously would it have affected the student if there had been no alternatives from which to choose or if someone else had made the decision? Who tries to influence economic votes? How?

CONSUMER AND FAMILY ECONOMICS
UNIT V

COMPETENCY: *Describe factors that influence acquisition of income.*

SUB-COMPETENCIES: *Identify methods of and influences on obtaining income.*

Compare sources and cost of credit.

Describe responsible use of credit.

Analyze the psychological aspects of money.

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
V. Obtaining income A. Methods of and influences on obtaining income	Lead a class discussion on how income in the United States is derived mainly from ownership of one or more of what economists call the factors of production: land, labor, capital, and entrepreneurship. Point out that land refers to all of an economy's natural resources used in the production of goods and services; labor is the human effort used in the production of goods and services; capital is either property or monetary wealth; and entrepreneurship means being an owner-manager. Discuss how real capital includes plant, equipment, and inventories used to produce goods and services and residential housing. Monetary capital is all financial claims such as stocks, bonds, mortgages, shares in savings, and loan associations, etc. Discuss how the size of any income results from the interaction of supply (quantity available at various prices) and demand (quantity that will be bought at various prices). KEY QUESTIONS: How has supply and demand affected the incomes in the community in the past few years? the state? the country?
1. Identifying sources of family income	Discuss sources of family income in class. Point out the types of income that families might have: *earned income* (family income from a fixed amount of money calculated on a weekly, monthly or yearly rate called a salary; or a fixed price paid for a job or paid at an hourly rate called wages); *investment income* (money used to make money through stocks, real estate or interest earned on money in a bank); and *security income* (social security program, IRA accounts, unemployment or retirement programs, etc.) Discuss other types of income that families might have, such as inheriting money or receiving insurance money. KEY QUESTIONS: How many family members in each family earn money income from either full-time or part-time work? How many families have more than one person working? Is the result typical of families across the nation? Why?
	Have students read information about family incomes in current periodicals such as *Changing Times*, *Time*, *Newsweek*, etc. Have

students analyze the information and write a brief summary. KEY QUESTIONS: What is considered the average income for men? What is the average income for women? Is the difference in men's and women's average income increasing, decreasing, or staying about the same? Why?[B]

Ask students to study resources in the classroom or library to find information on sources of income other than salaries and wages. Examples include: social security payments to dependent children and retired people, food stamps, welfare, unemployment benefits, disability payments, etc. KEY QUESTIONS: What are the eligibility requirements for these programs and what are the amounts currently being paid? How are these obtained?[B]

Have students study income and expenditure statistics to learn the approximate amount people engaged in different kinds of work earn. Students should research how people in different parts of the United States spend money. Investigate factors that affect the amount of income different individuals earn, as well as factors that affect the use of this income. Statistics of this nature are included in United States Bureau of Census reports and should be available in school or city libraries.[B]

2. Figuring income
   a. Regular-time pay

Lead a class discussion on the different ways that family members may be paid for working. Include information on why total pay is called gross pay. Explain to students that gross pay is the salary before any deductions have been made. Point out that many employees are paid on an hourly rate basis and are usually paid each week. Explain how to figure regular-time gross pay. Use the formula:

Regular-Time Hours x Regular-Time Pay Rate = Gross Pay.

EXAMPLE: Joe worked 40 regular-time hours in one week. His regular-time pay rate was $6 per hour. What was Joe's gross pay for the week?
ANSWER: 40 x $6 = $240 Gross Pay.[B]

   b. Overtime pay

Explain to class that overtime is time worked beyond regular time. Discuss that in some businesses the regular workday is 8 hours.

      (1) Time and a half

Any time beyond the 8 hours would be overtime; however, in other businesses, regular time is 40 hours or less per week, overtime would be for hours over 40 hours even though the employee might have worked more than 8 hours in a day. Point

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[B] = Basic Skill Reinforcement

out that overtime pay is often figured at one and a half times the regular pay which is called time and a half pay. Explain how to figure overtime pay. Use the formula:

1.5 (1 1/2) x Regular Pay Rate = Time and a Half Rate;
Time and a Half Hours x Time and a Half Rate = Time and a Half Pay

EXAMPLE: Mary usually works a 40 hour week; however, this week she worked 4 hours at time and a half pay. Her regular pay is $5.60 per hour. What is Mary's overtime pay for the week?
ANSWER: 1.5 x $5.60 = $8.40
4 x $8.40 = $33.60 Time and a Half Pay[B]

(2) Double time

Discuss how some businesses pay double time pay which is two times the regular hourly rate for work beyond time and a half work or for work on weekends and holidays. Explain how to figure double time pay. Use the formula:

2 x Regular Pay Rate = Double Time Rate
Double Time Hours x Double Time Rate = Double Time Pay

EXAMPLE: Juan worked 6 hours at double time pay. His regular pay rate is $6.10 per hour. What should Juan's double time pay be?
ANSWER: 2 x $6.10 = $12.20 6 x $12.20 = $73.20 Double Time Pay[B]

c. Regular pay and overtime pay

Explain to students how to figure the gross pay for an employee who has worked regular pay, overtime pay, and double time. Point out that they must be combined by figuring the overtime pay, then figuring the double time pay, and then figuring the regular pay. All three totals are added together for the gross pay.

EXAMPLE: Ann's hourly pay rate is $4.50 per hour. She has worked 40 hours at regular time, 8 hours at time and a half, and 2 hours at double time. What is Ann's gross pay?
ANSWER: 1.5 x $4.50 = $6.75 Time and Half Rate 2 x $4.50 = $9.00 Double Time Rate
40 hrs. x $4.50 = $180.00 Regular Pay
8 hrs. x $6.75 = $ 54.00 Time and a Half Pay
2 hrs. x $9.00 = $ 18.00 Double Time Pay
$252.00 Gross Pay for Week[B]

[B] = Basic Skill Reinforcement

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
d. Piece-rate pay	Discuss how many factory and service workers are paid according to the number of pieces they produce or what is called a piece-rate basis. Explain how to figure the gross piece-rate pay. Use the formula: Number of Pieces Produced x Piece Rate = Gross Piece-Rate Pay EXAMPLE: Lois works in a clothing factory and is paid $2.00 per finished piece. At the end of the week, Lois had produced 150 pieces. What is Lois's gross piece-rate pay? ANSWER: 150 x $2.00 = $300 Gross Piece-Rate Pay[B]
e. Sales commission	Discuss how some companies pay a straight commission (pay is only the commission and is based on a fixed rate for each item sold). Other companies may pay a guaranteed salary plus a commission. Commissions are usually paid to salespeople.
(1) Straight commission	Explain how to figure straight sales commission. Use the formula: Rate per item x Number sold = Straight Commission EXAMPLE: Kurt wants to earn money for a ski trip. He can sell gift wrap at a commission of $1.25 per package. What would Kurt's commission be if he sold 200 packages of gift wrap? ANSWER: $1.25 x 200 = $250 Straight Commission[B]
(2) Commission based on percent of sales	Discuss how a company may pay a commission based on a percentage of the sales made. Point out how the percent rate is changed to a decimal rate before multiplying. (Change a percent to a decimal by dropping the percent sign and moving the decimal point two places to the left. Put a zero in front of the decimal point if there is no whole number: 5% = .05; 150% = 1.5.) To figure the commission, use the formula: Percent rate x Amount of sales = Commission EXAMPLE: Ramos gets a commission of 4% on all sales. Last week his sales totaled $310. What was his commission based on percent of sales? ANSWER: 4% = .04 .04 x $310 = $12.40 Commission[B]
f. Guaranteed salary with commission	Explain how to figure the gross pay for a week when the person receives a guaranteed salary plus a commission. Use the formula: Salary + Commission = Gross Pay

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[B] = Basic Skill Reinforcement

EXAMPLE: Eddie, a salesperson, is guaranteed a salary of $225 a week and a commission of 5% of all sales. Eddie's sales totaled $3200 this week. What will Eddie's gross pay be?
ANSWER: 5% = .05
.05 x $3200 = $160 Commission
$225 + $160 = $385 Gross Pay[B]

g. Net pay

Lead a class discussion on figuring net pay. Explain that net pay or take home pay is the amount of money a person is actually paid after deductions (withholding tax, social security tax, insurance, contributions, etc.) have been made. To figure net pay use the formula:

Gross Pay – Deductions = Net Pay

EXAMPLE: Jill's salary is $310. Listed on the check are FICA, $18.50 and Withholding Tax, $64. What is Jill's net pay?
ANSWER: $64.00 + $18.50 = $82.50 Deductions
$310 – $82.50 = $227.50 Net Pay[B]

To review the steps of figuring income, have students complete the work sheet on Teaching Aids 102-103. The answers are:

1) $235.40
2) $70
3) a-8 hrs. b-$120 c-$520
4) a-$400 b-$60 c-$460
5) a-.20 b-$300
6) a-$13 b-$130 c-$650
7) $1,719
8) $12,676.82
9) $294.40
10) $230
11) $43.50
12) a-$179 b-$266[B]

3. Benefits of work

Have students work in buzz groups to define *real income* and *psychic income*. Real income can be defined as all material goods and services. Psychic income is the satisfaction derived from all material goods and services. Point out that satisfaction is enhanced by workers having pride and feeling fulfilled because of their work. Ask students to share definitions then combine them to form working definitions. Give examples of real income (money income, personal efforts and skills, knowledge, money management skills, community resources, etc.) and psychic income (self-fulfillment, good feelings about using abilities and

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[B] = Basic Skill Reinforcement

skills, etc.) Relate real income and psychic income to tangible benefits and intangible benefits.

a. Tangible benefits

Lead a class discussion on the tangible benefits of work. Point out that benefits known as labor income includes more than the wage or salary paid to an individual. Benefits considered labor income include: money to buy more or better shelter, transportation, and clothing; medical and dental insurance; life insurance; paid vacation and sick days; employer's social security contributions; profit-sharing programs and bonus plans; travel expense; and family security, in case of unemployment or illness of spouse, death, or divorce. Point out that some companies offer benefit packages that include: exercise and recreational facilities, day care programs, educational programs, and tuition subsidies. Discuss the "cafeteria" programs offered by many companies.

After basic insurance and retirement benefits are chosen, these programs allow new employees to select the additional benefit offerings that are best suited for their particular situation. Choose those that are best for their particular situation. Explain how merchandise discounts are a tangible benefit of some jobs. KEY QUESTIONS: Why should an individual consider the benefit packages a company offers along with the wage factor when considering a job? Why should the fringe benefits offered by one company be weighed against the fringe benefits offered by another? Which tangible benefits are important?

b. Intangible income

Discuss the intangible or psychic income that each job or career has. Point out that intangible (non-monetary) or psychic income includes feelings of satisfaction, self-fulfillment, good feelings about using abilities and skills, and the prestige or status gained from the job or career. Explain how psychic income can be negative or positive. For example, an individual must weigh all the things they have to put up with on a job–a gloomy office, disagreeable co-worker, long commute, restrictive dress code, etc.–against the things that make them feel good and the enjoyment of the job. If the person stays on the job, even with a cut in pay, the psychic income is positive. If the same person takes another job at the same pay, the psychic income was negative. Point out how the geographical/environmental aspects of a job might be intangible benefits for some individuals. For example, relocation (some individuals would consider moving to a new area an intangible benefit), health and safety factors, travel, living arrangements, and other environmental factors such as quiet, light, air, openness, beauty, and privacy. KEY QUESTION: How do intangible or non-monetary benefits help family members become more self-sufficient?

CONCEPTS **LEARNING AND EVALUATION EXPERIENCES**

4. Effects of human resource development on acquisition of income

Ask students to participate in a group discussion to determine what factors cause differences in family incomes. Discuss factors such as the number of wage earners, education attainment, age and experience, ability, health, incentive, choice of career, racial background, sex, family heritage, economic conditions of the community, state, and nation, and luck. KEY QUESTION: Which factors does an individual have some control over?

Have students view Teaching Aid 104 to gain a better understanding of the distribution of income on the basis of age. Point out that although age is a variable over which there is no control, people with lowest incomes fall into the very young and very old age groups; the period of highest earnings generally occurs between the ages of 35 and 55.

Lead a class discussion on how the level of formal education is a controllable factor believed to affect an individual's potential income. Point out that all people with equivalent formal educations will not earn similar incomes. Discuss the fact that formal education is a tool which properly applied can enhance earning opportunities. Have students view and discuss Teaching Aid 105 which shows the distribution of income on the basis of formal education. Point out that formal education is not a prerequisite for many types of careers such as sales, service, some clerical, etc. KEY QUESTIONS: How can individuals realistically control their formal education? Why do some people choose to take a job immediately after high school graduation instead of going to college? What are the pros and cons of this decision? What are the financial pros and cons of starting college immediately after high school? What factors should determine the education and training an individual needs? How can individuals obtain the formal education they need? What resources are available in the community for financing education?

Ask students to research library references and classroom references to determine how career choice can affect income. Students can share findings. KEY QUESTION: Do all career choices provide the same opportunities to participants in the financial game?[B]

Have students make a personal inventory, using Teaching Aid 106, in order to get to know themselves and what they want as well as to aid them in developing human resources which can affect their lifetime earnings. Caution students to be completely candid with themselves when making their personal inventory. In the

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[B] = Basic Skill Reinforcement

personal inventory, students should include: their strong points, shortcomings, job experience, special accomplishments, honors or special projects, interests for free time, physical condition, education, and career aspirations. Ask students to evaluate their personal inventory and to write a plan for improving their shortcomings and developing their human resources. KEY QUESTIONS: What is meant by "getting ahead in any job is going to require a certain amount of personal sacrifice"? How can this statement be applied to the effects of human resource development on the acquisition of income?[B]

B. Sources and costs of credit

To introduce the topic of credit have students complete Teaching Aid 107, which is a pre-test on credit. After it has been completed, discuss the students' answers to assure student knowledge.[B]

Have students work in groups and use references to answer the following KEY QUESTIONS: What is credit? Where can one go to borrow money? What types of credit are available from each of the sources? What effect does one's credit rating have on the ability to borrow money? Discuss the role of consumer credit in helping individuals and families maintain a satisfying life style. Ask students to brainstorm for general advantages or disadvantages of using credit.[B]

1. Sources of credit

Discuss the different categories of sources of credit which are widely available to consumers. Include the following: service credit, sales credit, and cash credit. Explain to students that service credit is credit extended for services such as utilities. Sales credit is used to buy goods and services. Cash credit is used to borrow money from financial institutions.

Show students Teaching Aid 108, which illustrates the different sources of consumer credit. KEY QUESTIONS: How many of these sources are familiar? What sources of credit represent sales credit? cash credit? Is service credit represented in the illustration and if not why? Why are loan sharks presented as villains?

a. Service credit

Have students write their own definition for *service credit*. After students read aloud their definitions, compose a class definition. An example of a definition is as follows: credit given for a service one's family receives, but pays for later.[B]

Have students brainstorm examples of service credit. Responses should include utilities such as electricity, gas, telephone, cable T.V, water, and garbage collection; and in some cases, doctor, dentist, and hospital expenses. Point out that in some

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[B] = Basic Skill Reinforcement

communities, plumbers and appliance repairers bill customers the next month after the service was performed.

Refer students to Teaching Aid 109, which asks them to find the examples of service credit that are illustrated in the picture. Discuss each service represented.

Invite a representative from a local utility company to speak to the class about their service. Ask the speaker to explain how customer's bills are determined and the credit terms involved in their service. Have students prepare questions and ask the speaker to allow time for questions at the end of the presentation.

b. Sales credit

Have students write a definition of sales credit and after reviewing the definitions write a comprehensive definition. The definition should include these key points: It is credit extended when buying a product and paying for it later. It is sometimes referred to as short-term credit and/or open-ended consumer credit.[B]

Identify and define the different types and sources of sales credit widely available to consumers. Include the following: 30 day charge account, revolving charge account, and the installment account. Point out that the credit card is the most widely used source for this type of credit purchase and layaway is frequently used as well. Explain to students that layaway differs from other forms of credit in that the purchaser reserves an article with a down payment and claims it only after paying the full balance.

Divide the class into three groups and have each group research one of the types of charge account sales credit (30 day charge account, revolving charge account, and installment account). Instruct them to discover the terms of the credit agreement and the way the terms are carried out. Provide the students with copies of various credit agreements. A few sources of these agreements are: furniture stores, department stores, and utility companies. Have the group elect a spokesperson to report the findings to the class.[B][C]

Have the students visit several stores in the community to find out what types of sales credit they use. Ask students to list the stores and the types of credit available at each. Also have students find out how a consumer would apply for credit at each store and what guidelines are used in accepting or rejecting an application. Have students report findings to the class, summarizing the credit plans they listed.[B]

[B] = Basic Skill Reinforcement

[C] = Common Essential Element

Have students fill out Teaching Aid 110, which is a sample credit application form. Allow students time to ask any questions concerning the application process. Discuss why creditors need this information. If possible, obtain sample applications from local businesses and allow students to see firsthand an actual form.[B]

Have students research the use of credit cards and report to the class. Students should prepare a summary including the following information: types of credit cards commonly used (for example bank cards, travel and entertainment cards, department store cards, and airline and gasoline cards), advantages and disadvantages of using credit cards, points to remember in using credit cards, possible hazards of credit card use, and what happens if a credit card is lost.[B]

Discuss the use of layaway as a form of credit. KEY QUESTIONS: What is an advantage of layaway credit purchases? How does it compare to other forms of sales credit?

c. Cash credit

Have students write a definition for *cash credit*. After reviewing the the definitions write a class definition. An example of a definition is: Credit extended when borrowing money from a financial institution.[B]

Have students brainstorm possible sources of cash credit. Responses should include the following sources: commercial banks, automatic overdraft or advance, consumer finance companies, credit unions, life insurance, savings and loan associations, second mortgages, family, friends, pawnbrokers, and loan sharks.

Introduce to the class the topic of secured or unsecured cash loans. Explain that a secured loan is:

* The borrower's written promise to repay and
* The pledge of some of the borrower's property,
  referred to as collateral.

An unsecured loan is a loan that requires only the borrower's promise to repay (requires signature on a contract). This type of loan is used mainly when the borrower's credit record is very good. KEY QUESTIONS: What can consumers use for collateral? Which type of loan would be easiest to acquire? What would be the consequences of not paying a loan back? Which type of loan would be the safest and why? Which type of loan would have the lowest interest rate?

[B] = Basic Skill Reinforcement

Have students determine the types and numbers of lending agencies in the community which provide cash credit. Suggest the use of the yellow pages in the local telephone book. Have students write a list of the results of their research and answer the following KEY QUESTIONS: How do costs of credit differ from the various credit sources? Which is most expensive? What factors determine credit costs?[B]

Have students work in pairs on a consumer credit project to investigate one place that loans money to people. Have them study the following: type of credit source, term of loan, credit rating required, security required, cost of credit, advantages and disadvantages of lending source, and criteria unique to lending source. In class have students compare findings with classmates. KEY QUESTION: Of the lending sources studied, which institution would be selected if one had to borrow money and why?

Have students fill out Teaching Aid 111, which deals with choosing where to borrow money. After students fill it out, discuss the answers.[B]

Invite a panel of speakers from local financial agencies to speak to the class about the various services offered at their agencies, terms of their loans, and how to qualify for their services. Ask the panel to include information on special issues related to females getting or securing loans. Have the panel leave time for receiving questions from the students.

As a class project read the cases presented on Teaching Aids 112 and 113. Discuss the questions following each case.

Divide the class into several small groups and instruct each group to research to find at least three basic guidelines to use when shopping for a loan. Some examples are as follows:

* Know beforehand what your going to borrow for and how much money you need.
* Check to make sure all credit accounts are up to date before you apply.
* Have an idea of rate charges.
* Prepare to discuss your budget in detail.
* Do not apply at the last minute.
* Do not demand an answer to your application within a particular period of time.

[B] = Basic Skill Reinforcement

When the groups have completed their research have each one elect a group spokesperson to report the guidelines to the class. Incorporate all the groups' reports into the class guidelines for shopping for a loan.[B] [C]

Divide the class into small groups and have each group find a solution to the following case study. Donna and Steve have been married for two years. They have recently moved to a city where both have new jobs. They need a new car, since both will be driving to work. However, they do not have enough money to purchase one. There is a credit union where Steve works, but he has not joined yet. They have not opened a bank account yet and have not established a credit rating. There are several banks, savings and loans, finance companies, and the option of financing through the car dealership. What action should Donna and Steve take to be able to buy a car? Have each group select a spokesperson and discuss the group's solutions to Donna and Steve's problem in class.[C]

For evaluation have students prepare a chart of all the sources of cash credit that have been studied. Have students include the type of loan (unsecured or secured), advantages and/or disadvantages, and principle factors.[B]

2. Costs of credit
   a. Identifying terms

Compile a vocabulary list of terms related to the cost of credit. Terms to be included are: previous balance, adjusted balance, average daily balance, annual percentage rate, simple interest, compound interest, add on interest, discount interest, collateral, interest rate or finance charge, down payment, cash price, "on time" price, principal, and maturity date. Divide the class into small groups and assign each group several of the terms. Instruct the groups to use reference materials to define and discuss their assigned words. Point out to students that the annual percentage rate is one of the most important factors in the cost of credit. Have students keep the definitions in a notebook for future a reference.[B]

Invite a financial planner to class to be a guest speaker. Have the speaker discuss each of the terms mentioned above and present the concepts associated with the terms. Encourage students to ask questions after the presentation.

   b. Computing the cost of credit

Show students Teaching Aid 114 to stimulate the understanding of credit cost. Clarify the meanings of key words such as down payment and cash price.

[B] = Basic Skill Reinforcement

[C] = Common Essential Element

Refer students to Teaching Aid 115, which is an example of how to figure the dollar cost of credit. Briefly discuss each step in the process. Demonstrate several examples for the students. One example would be as follows:

STEP 1) $25.00	STEP 2) $300.00	STEP 3) $375.00
x 12	+ 75.00	-295.00
$300.00	$375.00	$ 80.00

Supply the students with figures and have them practice this process by using the format presented on Teaching Aid 116.[B]

Show students Teaching Aid 117, which demonstrates how to figure the annual percentage rate. Discuss each step in the process and work out the example given. Supply the students with examples of the necessary figures and have them practice this formula in the form presented in Teaching Aid 118.[B]

Have the students view the chart presented on Teaching Aid 119 to clarify the difference between credit costs on revolving charge accounts computed by previous balance, adjusted balance, and average daily balance. Explain what causes the differences in cost. Ask students to consider the following situation: interest on a charge account is computed on an average daily balance, how would interest charges be kept the lowest? Give examples of credit sources and use each method to calculate the annual percentage rate to emphasize the different results.

Have students pretend they want to buy a major appliance on credit. Instruct students to find out what the credit terms would be if one bought the appliance at a department store, at a speciality shop, or with a bank credit card. Ask students to find out about the finance charges including the annual percentage rate, monthly payments, length of the repayment period, and the late payment charges, if any. Have students turn in a written paper proposing the place they will get the best deal, complete with the computed charges and a justification for their selection. Evaluate papers in terms of effective communication skills and content.[B][C]

Have students compare three bank credit cards and decide which card to apply for. Instruct students to be prepared to discuss the decision in class.

For evaluation purposes, have students choose an item they wish to purchase and instruct students to investigate the best way to

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[B] = Basic Skill Reinforcement

[C] = Common Essential Element

purchase the item using credit. Have students turn in a written plan to follow for this assignment. This plan should include all the avenues to check and the procedure to be used. Have students turn in a final summary describing the experience and the solution obtained. This solution should include any computations made to arrive at this decision.[B]

To evaluate the student's knowledge of credit costs ask the following KEY QUESTIONS: If an item costs $350 with cash and $400 on credit, what is the extra $50 for? Is it cheaper to buy on credit or to buy with cash? What would be the interest charge on a $500 television set with a 14% APR (500 x .14)?[B]

C. Responsible use of credit

Invite a representative from a credit counseling agency to speak to the class. Ask the speaker to speak on the topic of how to use credit wisely. Have the speaker address the following KEY QUESTIONS: How can credit counseling help consumers? What are the most common credit problems and how can they be avoided? What are problems connected to the misuse of credit? Ask the speaker to allow time for questions after the presentation.

Have students write a paper concerning the use of credit. In the first paragraph have students write a story about a family or individual who misuses credit. In the second paragraph, have students describe a family or individual using credit wisely. Have students indicate attitudes which contribute to the way the subjects use credit. In a summary paragraph, instruct students to point out benefits from wise use and problems from unwise use of credit. Evaluate papers in terms of the student's ability to communicate effectively.[B] [C]

1. Credit capacity

Have students view Teaching Aid 120, which looks at the question: Should credit be used? Explain factors to consider when deciding whether to buy on credit and explain why it is important to consider these factors.

2. Credit rating

Have students study references to define *credit rating* and discover its value. KEY QUESTIONS: What is one's credit rating? How is it determined? How can one find out about his or her own credit rating? Why is a good credit rating an asset? What can one do if one has a bad credit rating?[B]

Have students research and discuss how one can establish a good credit rating. Instruct students to prepare a paper on "Do's and Dont's for a Good Credit Rating."[B]

[B] = Basic Skill Reinforcement
[C] = Common Essential Element

Have students brainstorm to identify characteristics that make a person a good credit risk such as: paying bills on time, not overextending the use of credit, owning personal property, previous record of credit purchases, stable employment, etc. KEY QUESTIONS: What factors does a creditor consider before making a loan? How do the questions on a credit card application relate to good credit practices? What is the relationship of cost of credit to being a good credit risk or a bad credit risk?

Invite a representative from a local credit bureau or Retail Merchants Association to be a guest speaker in class. Ask the speaker to explain the procedures used to judge an individual's credit rating and the way businesses use this service. KEY QUESTIONS: How would one establish a good credit rating? What is a credit bureau? Why is it needed? Who belongs to the bureau? What services does it provide? What are its purposes? What are the consumer's rights to view one's own file? What law provides this right? What are additional provisions of this law? How does one's credit rating relate to applying for credit? Why is one's credit rating important?

As a class project, have students write to the Federal Trade Commission, Pennsylvania Avenue at Sixth Street, N.W., Washington, DC 20580, to gather further information on the Fair Credit Reporting Act. Have students prepare a written report on the information they receive.[B]

When visiting a local department store, ask students to interview the store credit manager and/or credit card company employee about the factors that make an individual a good credit risk. Instruct students to write a summary of the interview to share with the class.[B]

3. Legal aspects of credit

As library work, have students research government bulletins, references, periodicals, and other publications to obtain information on laws concerning credit. Have students compile a summary of credit laws, and in class, examine the provisions of these laws and the benefits to the consumer. Laws to be included are the:

* Truth-in-Lending Act (1969)
* Fair Credit Billing Act (1974)
* Fair Credit Reporting Act (1971)
* Equal Credit Opportunity Act (1975)
* Fair Debt Collection Practices Act (1978)[B]

[B] = Basic Skill Reinforcement

Have students interview local store managers who accept credit cards for the purpose of finding out if discounts are offered for buying with cash, which is allowed by the Fair Credit Billing Act, and the rights of consumers who do not pay their credit accounts.

Have the students interview credit department managers, loan agents, or others to determine what happens when an individual or family cannot meet its credit obligations. Instruct students to ask these KEY QUESTIONS: What help is available in the community for a family who is having a financial crisis? What is the position of a minor in relation to credit contracts? What is garnishment and is it legal in our state?

In class, discuss consumer rights and responsibilities related to credit usage. KEY QUESTIONS: What is the statutory maximum small loan rate in your state? Why are interest rates from small loan companies higher than those of some other kind of lending agency? What questions should be asked before lending a person money? What can a consumer do for protection when borrowing money? Should a person co-sign another person's note and why or why not? Why are some families sometimes forced to obtain credit from illegal lenders? Are there illegal lenders in one's community and why are they illegal? Where can one borrow with collateral? without collateral? What are some gimmicks to watch for when borrowing money?

Discuss bankruptcy in class. KEY QUESTIONS: What is the law regarding bankruptcy? How does one file for bankruptcy? What is Chapter 13 of the bankruptcy law? What are the consequences of filing for bankruptcy? What factors contribute to bankruptcy?

Show students examples of credit contracts from sources such as furniture stores, department stores, automobile dealers, utility companies, and lending agencies. In class, compare features of the contracts, such as length of contract, interest rate, repayment clause, late charges, collateral, etc.

4. Guidelines for use of credit

Have students work in small groups to write guidelines for the wise use of credit. Have students include guidelines one should consider when participating in a credit agreement or contract.[B]

For an FHA/HERO project have members write and produce a radio spot announcement to inform consumers of their rights and responsibilities related to credit. Have members present the announcement over a local radio station, or as a skit for the FHA/HERO meeting.[B]

[B] = Basic Skill Reinforcement

Use Teaching Aid 121 to summarize guidelines and responsibilities for consumers who use credit. Encourage students to think of other guidelines and ways to use credit wisely.

D. Psychological aspects of money

Lead a class discussion on American money. Have students brainstorm to define *money*. A possible definition: Money is anything generally accepted for goods and services or in payment of debts. Point out that money gives indirect satisfaction in three ways: 1) as a medium of exchange, 2) as a standard unit of payment, and 3) as a storehouse of value (put away for future use). Discuss how American money has value because Americans trust their government and accept the dollar. Point out that American money was previously backed by gold, but the practice ended in the late 1960's and early 1970's. Discuss the qualities of money: easy to carry, easily recognized, easily broken into parts (for example: a dollar bill can be easily broken into parts through the use of half dollars, quarters, dimes, nickles, and pennies), valuable and scarce. KEY QUESTIONS: How can money give direct satisfaction? indirect satisfaction? How does an economics system using a barter system differ from an economic system using money? What gives money value? How do you use money as a storehouse of value? What might happen if people stopped using the dollar as a medium of exchange? Why must money be scarce?

Ask students to make a list on the chalkboard of the kinds of money. The list should include currency, coins, checks, money orders, interest. Have students define each item on the list. KEY QUESTIONS: What is meant by commodity money? What is legal tender? What is token money?

Discuss the psychological aspects of money. Ask each student to write on a piece of paper three things that money means to them. Point out how some individuals place great importance on material things, others may place great importance on freedom, adventure, excitement, knowledge, or personal and family relationships. Discuss how personal priorities and goals will affect their feelings about money. Ask students to study their lists and determine if their personal priorities and goals were expressed.[B]

Divide students into eight groups. Assign each group one of the following topics to research and ask them to explain its psychological relationship to money: 1) physical well-being, 2) comfort and safety, 3) fun and excitement, 4) love and approval, 5) self-realization and self-development, 6) self-image and status, 7) impulse buying, and 8) compulsive spending. Encourage

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[B] = Basic Skill Reinforcement

students to use classroom and library resources to develop their reports. Students can present the reports to class with the aid of visuals. Lead a class discussion at the conclusion of reports. KEY QUESTIONS: How do personal priorities determine the ways in which money is spent? How do goals determine the ways in which money is spent? How can the statement, "keeping up with the Joneses" be related to the psychological aspects of money? Why are some individuals compulsive spenders? impulse buyers?[B]

Ask students to write a paper explaining how the following statement relates to them: "Money is like a mirror as it reflects what we hold important and what we believe in". Students might like to share papers in class.[B]

[B] = Basic Skill Reinforcement

CONSUMER AND FAMILY ECONOMICS
UNIT VI

COMPETENCY: *Analyze financial protection plans available for family economic security.*

SUB-COMPETENCIES:

Explain the functions, types, and services of financial institutions.

Identify saving and investment opportunities.

Relate insurance types to family needs.

Explain the relationship between social security and family financial security.

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
VI. Protecting family economic security A. Financial institutions	Show students Teaching Aid 122 on the circular flow of money for a better understanding of the relationship between money, individuals, business and industry, government, and financial institutions. Analyze the chart to determine the causes and effects of inflation and deflation. Discuss what makes up total spending for the United States.
	Ask student volunteers to interview various representatives of financial institutions to obtain information and answers to the following KEY QUESTIONS: How do banks and savings and loans earn their money? What portion of an institution's total deposits are kept in cash? What is done with the funds not needed for cash? If institutions kept all cash deposited by their customers, what effect would it have on the production of goods and services? Interviews may be tape recorded, if the person being interviewed has no objections, or notes may be taken. Share the interviews in class. Evaluate oral communication skills.[C]
1. Federal Reserve system	Show students a film or filmstrip explaining the organization and operation of the Federal Reserve system. Films should be available through local banks or the Education Service Center. Discuss the following KEY QUESTIONS: How many Federal Reserve banks are there? Who owns the Federal Reserve banks? What banks are members of the Federal Reserve system? Who are the customers of a Federal Reserve bank? What major functions and services do Federal Reserve banks provide?
	Use Teaching Aids 123 and 124 which show the locations and organization of the Federal Reserve system in the United States.

[C] = Common Essential Element

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
	Ask students to write a paper summarizing their knowledge of the Federal Reserve system and its functions. Include answers to the following KEY QUESTIONS: What is the purpose of the Federal Reserve system? What are its functions? How does a Federal Reserve bank control the amount of money its member banks can lend? What are the advantages and disadvantages of the Federal Reserve system? Evaluate students written communication skills in addition to knowledge.[B] [C]
2. Functions of financial institutions	Have students write down general functions the banking system performs in the economy. Discuss the answers written by class members and develop a list of the major economic functions of the banking system. Evaluate for communication skills in addition to knowledge.[B] [C]
	Ask students to study references or information booklets from the American Banking Association or the Federal Reserve Bank of New York, to determine the relationship between banking and the economy. Discuss information in class and answer the following KEY QUESTIONS: What is the role of the bank in the economy? What are the different kinds of banks and bank services? How do the different banks serve the consumer? Why are banks so important to the economy? Evaluate for communication skills in addition to knowledge.[B] [C]
	Have students work in groups of three or four to find information and prepare a chart summarizing the functions and services offered by various financial institutions. Include answers to these KEY QUESTIONS: Which financial institutions receive deposits of money? Which institutions make loans to individuals? to businesses? Which institutions administer trust funds and/or serve as administrators for the estates of deceased persons? Which ones invest money?[B]
	Have students study financial institution advertising in newspapers and on television or radio to determine the current interest rates at each institution. Add this information to the previous chart.[B]
3. Types of financial institutions	Discuss with the class the four major types of banking or financial institutions including full service banks , savings banks, savings and loan associations, and credit unions.
	Ask students to survey the Yellow Pages of the telephone directory under *banks* and *savings and loans* to determine how many listings there are for your area or city. Have students list the types of

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[B] = Basic Skill Reinforcement

[C] = Common Essential Element

financial institutions available, using the categories from the experience above. Discuss how many types of financial institutions are listed.

Discuss with students the structure of the commercial banking system including banks, savings and loan institutions, and credit unions. Include information on: the lending and relending of money that gives deposits–even small deposits–dramatic power, federal and state chartering of banks, and agencies that provide regulation.

Divide the class into groups and have each group elect a leader. Assign the following topics for study and have group leaders give class reports:

1) The Comptroller of the Currency.
2) The Federal Deposit Insurance Corporation.
3) The Federal Savings and Loan Insurance Corporation.
4) The Federal Reserve system's regulation of the money supply.
5) Branch banking regulations.
6) Advantages and disadvantages of branch banking.
7) Advantages and disadvantages of a state bank.
8) Advantages and disadvantages of a federal bank.[B] [C]

4. Services of financial institutions

Invite a panel of four experts, representing a bank, a savings and loan, a credit union, and a savings bank to speak to the class. Ask them to be prepared to explain the services each type of institution provides. If all four types of financial institutions are not available in your community, delete one or more panel members. Ask students to prepare questions in advance and participate in any discussions. KEY QUESTIONS: How does the banking system increase the public's awareness of the services that are available? What percentage of families and individual's make use of the different services offered?

Ask students to prepare a chart summarizing the information presented by the panel, regarding services provided by the four types of financial institutions. The charts may be used for evaluation of knowledge and communication skills.[C]

Discuss the many auxiliary banking services being offered now that financial institutions are becoming more competitive. Include: sale and redemption of U.S. savings bonds, traveler's checks, and money orders, low-cost life insurance provisions on savings deposits, and financial counseling.

[B] = Basic Skill Reinforcement
[C] = Common Essential Element

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
a. Checking accounts	Have students volunteer to obtain information from local financial institutions on checking account services including the following types: free checking, minimum balance account, special checking accounts, package plan, overdraft account, NOW accounts, and share accounts. Have students report findings to the class. Discuss the following KEY QUESTIONS: Were the same types of checking accounts offered in each type of institution? Were charges for using the accounts the same? If not, what were the differences? Discuss with students the advantages of using a checking account. Include factors such as convenience, safety, source of records (bank statements and cancelled checks), receipts or proof of purchase, and credit rating. Obtain forms related to checking accounts from several financial institutions and set up a display or bulletin board for students to examine. Include forms such as a signature card for opening an account, different types of check books, check registers, and deposit slips. Teaching Aids 125 through 127 include samples of completed forms for comparison. Prepare handouts from Teaching Aid 128 on Protecting Your Checking Account for students to read. Discuss the suggestions in class and have students practice writing out checks on samples provided by local banks. Ask students to exchange and evaluate the checks of another student.[B] Provide students with several types of deposit slips. Have students practice writing out the slips listing various amounts of checks, currency, and coins. Use Teaching Aid 129 and instruct students on how to reconcile a checking account with a bank statement. Provide practice sets if possible.[B] Discuss the expenses involved in using a checking account. Ask students to find out what different financial institutions in the area are charging for checking account services such as printed checks, fees for number of checks written per month, insufficient check fees, etc. As students report rates from different institutions, have other students record the amounts on the chalkboard. Then ask students to figure the differences and compare.[B]
b. Savings accounts	Discuss the various types of institutions that offer savings accounts. Include commercial banks, savings banks, savings and

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[B] = Basic Skill Reinforcement

loan associations, and credit unions. Have students read information in textbooks or other references to determine the advantages and disadvantages offered by the different institutions. KEY QUESTIONS: Which type of institution may be the least liberal in calculation of interest? Which one is more likely to compound interest on a day-of-deposit to day-of-withdrawal basis?[B]

Ask students to find information on the differences in regular or passbook savings accounts and special or time accounts. Have them write a paragraph describing each of the two types of savings accounts.[B]

Invite a guest speaker from a bank or savings and loan to explain to the class the advantages and disadvantages of Money Market Accounts, C.D.'s (Certificates of Deposit), and I.R.A.'s (Individual Retirement Accounts). Have students prepare questions prior to class. KEY QUESTIONS: How much money is required to start this type of savings account? Is the money available for use if needed? What are the penalties for early withdrawal of funds?

c. Interest rates

Write on the chalkboard for discussion, the following statement: "The income from the same amount of money, earning the same stated rate of interest, may vary by as much as 170 percent, depending on which of the fifty or more methods of computing interest is used."

Have students study references to find definitions of the following methods for calculating interest: Low Balance, FIFO (First In, First Out), LIFO (Last In, First Out), and Day-of-Deposit to Day-of-Withdrawal. Discuss the following KEY QUESTIONS: Which method is most advantageous to the depositor? Which method is most advantageous to the institution?[B]

Explain to students the difference in simple interest and compound interest. Simple interest is based only on the amount deposited. Compound interest is based on the amount deposited and on the accumulated interest. Compounding may be done annually, semi-annually, quarterly, monthly, daily, or continuously.

Have students compute the simple interest on $1,000 if the interest rate is 5 percent ($1,000 x .05 = $50 for a total of $1050). Have the students compute the compound interest that would be paid on $1,000 at a 5 percent rate if the interest was compounded quarterly, or one-fourth of 5 percent paid every three months. ($1,000 x .0125 = $12.50, first quarter; $1,012.50 x .0125 = $12.63,

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[B] = Basic Skill Reinforcement

second quarter; $1,025.13 x .0125 = $12.81, third quarter; and $1,037.93 x .0125 = $12.97, fourth quarter for a total of $1,050.90). Explain to students that if the interest were compounded daily or continuously, it would be higher than the simple interest.[B]

Discuss the importance of also knowing when the institution records the interest in the account which may be referred to as "crediting the account." The calculation is one process, compounding is another, and these two processes may not occur simultaneously with the recording. Some institutions record quarterly and, if an account is closed during the quarter, the interest for that quarter is lost.

Divide the class into five groups and have each group elect a leader. Ask the groups to investigate one other variation or limitation that may effect savings accounts. Include excess withdrawals, premature closing, minimum balance, closing balance, and inactive accounts. Ask each group leader to report their findings to the class.[C]

B. Saving and investment opportunities

Discuss reasons for saving and investing with students. Explore the following KEY QUESTIONS: How much money should be set aside for an "emergency" savings fund? Should the emergency fund be in safe and liquid investments? (*Liquidity* refers to the ease of changing from cash to savings and from savings back to cash without loss of value). What would be the major disadvantage in putting more than an emergency fund into a liquid investment? Is it better to pay savings first or last?

Invite a financial planner to speak on saving and investment opportunities. Ask the speaker to explain U.S. Government Series EE and HH Bonds; U.S. Treasury bills, notes, bonds, and certificates; common and preferred stocks; bonds, mutual funds; Keogh and IRA's; and annuities. Ask students to prepare questions before the speaker is scheduled. In addition to questions regarding different types of investments, students may wish to know more about financial planning careers and services.

Divide the class into small groups and assign each group one type of saving or investment method to investigate in depth. Students should be encouraged to use the school and/or city library, textbooks, pamphlets from sources such as investment companies, etc. Each group should elect a leader to present their report in class using charts or visuals, if possible.[B] [C]

[B] = Basic Skill Reinforcement

[C] = Common Essential Element

Invite a Realtor to explain property investment opportunities to the class. Have students prepare questions in advance. Discussion should include information on these KEY QUESTIONS: What are the opportunities for investing in apartments, office buildings, and small business buildings? How much capital is required for a beginning investment in real estate? Can investments in real estate be made with a group?

Have students discuss suitable savings or investment plans for persons in each of the following case situations:

1) Amy, a high school senior, is saving part of her allowance and income from caring for a neighbor's child to buy clothes for college in the fall.
2) The Chan family is saving money for retirement in ten years.
3) The Garcia family is saving money to send two children to college in fifteen years.
4) Jane is saving money for a down payment on a small house.
5) Sean is saving for a vacation at the coast.

Participate in an investment game in class. Each person pretends to have $2,500 to invest. On beginning day, each student selects one or more stocks to "purchase." Once a week, the stock market report is reviewed to see if the stock is gaining or losing. The first week, students may need help in how to read the stock market report. Students keep their own records of numbers of shares, names of companies, and price per share on purchase and review dates. Also record if any additional stock is purchased, sold, or traded for another. At the end of four weeks, total the assets to determine if money was made or lost and report to the class.[B]

C. Insurance related to family needs

Have students prepare a bulletin board or poster from Teaching Aid 130 for display in the classroom.

1. Types of insurance
   a. Life

Have students read references for information on life insurance. Discuss the purpose of life insurance, when to purchase it, how much is necessary, and the characteristics of each different type. Teaching Aid 131 depicts characteristics of various types of life insurance.[B]

Invite an independent insurance agent to speak to the class and explain the various types of life insurance including term, straight life, limited-payment life, endowment policies, and combination policies such as variable life and adjustable life. Ask students to prepare questions for discussion, in advance. KEY QUESTIONS: Who needs life insurance? Should a single parent carry life

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[B] = Basic Skill Reinforcement

insurance? Should children in a family be covered by life insurance? How should life insurance premiums be paid? Do most families carry enough insurance? What are the advantages of group life insurance to an employee? to an employer? Does a person covered by a group policy need to buy additional insurance? Have students write a summary report of the information given by the insurance agent. Evaluate for knowledge and communication skills.[B] [C]

Obtain sample copies of life insurance application forms from different companies. Discuss with students the types of information needed on the forms. KEY QUESTIONS: What minimum health requirements must be met? Is a medical check-up required? Why is accurate information on the application important? Are life insurance contracts legal documents?

Divide the class into small groups and have each group elect a leader. Ask each group to develop guidelines that would help an inexperienced shopper select life insurance wisely. Include a list of sources where one can obtain information to judge the reputation and standing of a life insurance company. Include definitions of terms related to life insurance such as Certified Life Underwriter, independent agent, term life, ordinary life, limited-payment life, endowment policies, beneficiary, settlement options, grace period, double indemnity, policy loans, renewability, convertibility, waiver of premium, and others if needed. Have each group leader report to the class.[C]

b. Health

Ask students to read references to determine the major reasons that people need to have health insurance coverage, where health insurance can be obtained, what different kinds of policies are available, and the factors that contribute to the cost of health insurance. Discuss these factors in class following the reading assignment.[B]

Have students find information in periodicals *(Newsweek, Time, Changing Times)* or the newspaper on the current costs of an average medical hospital stay and the costs of a surgical hospitalization. What are the predictions for costs in the future? Report in class and discuss. Evaluate knowledge and communication skills of students.[B] [C]

Divide the class into five groups and assign each group one of the following types of health insurance to study: basic coverage, major medical expense insurance, catastrophic expense insurance, dental

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[B] = Basic Skill Reinforcement

[C] = Common Essential Element

insurance, or disability insurance. Have each group research their topic through readings and/or interviews and report findings to the class. Ask that the reports contain information on rates, deductibles, amounts and types of coverage, and sources of coverage. Evaluate knowledge and communication skills of students.[C]

Invite the school principal or business manager to speak to the class regarding student accident insurance coverage carried by the school. KEY QUESTIONS: What types of accidents are covered? Must the accident occur on school property? Are school sponsored events covered?

c. Property

Ask each student to name an item they possess that they value highly. Then discuss the following KEY QUESTIONS: Is the item covered by insurance? Why or why not? What was the original cost of the item? the current replacement value of the item? Can the item be easily identified? What is the cost of insuring the item?

Show Teaching Aid 132 on property insurance. Discuss. Ask students to name various "other" items that might need to be covered by property insurance.

Have students read references to learn about property and liability insurance. Then discuss the following KEY QUESTIONS: What is the purpose of property insurance? What is the purpose of liability insurance? What is the greatest risk to property? Were risks such as fire, wind, hail, lightning, burglary and theft, vehicle damage, smoke, vandalism, falling objects, explosion, riot and commotion included? What does the term *extended coverage* mean? What is a renter's or tenant's policy? What does a renter's or tenant's policy cover? Evaluate for knowledge and communication skills.[B] [C]

Discuss factors that influence the costs of liability and property insurance. Include: amount and number of claims paid in one year, building construction and location, type of fire department, etc.

Use Teaching Aid 133 to show students the differences in coverage between a standard, broad, or comprehensive form of homeowners policy. KEY QUESTIONS: Which offers the most protection? Which offers the least protection?

d. Automobile

Use Teaching Aid 134 on automobile insurance to begin a discussion. KEY QUESTIONS: Which types of auto insurance are

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[C] = Common Essential Element

[B] = Basic Skill Reinforcement

required? Which ones are optional? At what ages are rates the highest? Are rates for males higher than rates for females? Why or why not? How does the make, model, and age of a car affect the insurance rates? Do insurance rates vary within a state? Why? Under what circumstances can a company cancel a policy? What is uninsured/underinsured motorist insurance? Who benefits from this coverage?

Obtain a current driver's handbook and review the state regulations for insurance to operate a motor vehicle. Discuss any new laws and regulations implied in the handbook that will affect drivers and/or insurance rates.[B]

Provide a variety of insurance company handbooks or information sheets for students to read regarding procedures to follow in case of an automobile accident. Have students write a summary of general procedures or write a script and role play some situations regarding accidents. Ask students to respond to the following KEY QUESTIONS: Why should the names and addresses of the occupants of the other car involved, witnesses, and injured parties be obtained? Why do some insurance companies suggest that accurate descriptions of the injuries to persons and damages to property be recorded? Why should an accurate description of the location and conditions at the time of the accident be provided? When should the insurance company be notified of the accident? Why do some insurance companies ask that the accident not be discussed? Evaluate communication skills in addition to knowledge.[B] [C]

Discuss the insurance needs of families at different stages of the family life cycle. Have each student write a case situation of an imaginary family, including their needs, resources, goals and the stage of the life cycle that is applicable. The student should then recommend and write down reasons for the types of insurance that would be suitable for the family. Review the recommendations in class and discuss whether the recommendations are appropriate for the case situation.[B]

D. Social security and family financial security

Have students find out how to apply for a social security card. If they have not applied previously, obtain application forms and make them available to students. discuss the value of having a social security number for identification purposes.

Show students Teaching Aid 135 on Social Security Benefits. Have students find more information on social security, Medicare,

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[B] = Basic Skill Reinforcement

[C] = Common Essential Element

and Medicaid programs. Ask them to write descriptions of each program including eligibility and/or age requirements.[B]

Ask students to identify and discuss the contributions made to family financial security by social security, Medicare, and Medicaid. Ask students to interview someone they know who is receiving benefits from one of these programs to see how successful they think the system is. Students can report findings to the class.

Obtain booklets from the social security office or post office. Have students read the booklets for details of how the programs operate. Discuss in class the following KEY QUESTIONS: Who is eligible for benefits? Who can contribute to these programs? What is the rate that is currently deducted from paychecks to finance the programs? When was the deduction rate last increased? When will it be increased again?[B]

Divide the class into small groups and elect a leader. Have each group discuss tow or three of the following KEY QUESTIONS: What is social security? When was the Social Security Act first passed? Why was the federal social security program developed? What age group was social security primarily set up to benefit? What are the major provisions of the federal Social Security Act and how do they affect us as individuals? Why do people need financial protection against risks of unemployment, old age, disability, and accidents? What are the benefits derived from social security? Who pays for these benefits? What is the relationship of the federal government to the social security program? Who qualifies for social security? When does a person need to consult the local social security office? Should a person rely solely on social security for a retirement income? Why is it important for women to report their married names to the social security office? Is everyone covered by social security? What are alternatives to social security? When will the retired persons drawing payments outnumber the workers who are paying into the system? What will happen to the financial stability of the system when more money is being paid out than is being received? Assemble the class and ask the group leaders to share facts covered by each group.[C]

Show a current film on social security to the students. Films should be available from the social security office or the Education Service Center. After viewing the film, discuss the following KEY QUESTIONS: What happens to the reports of earnings employers send in? How are earnings records kept? What should be done if

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[B] = Basic Skill Reinforcement

[C] = Common Essential Element

the social security card is lost? Why should social security records be reviewed by individuals every three years? Evaluate knowledge and communication skills of students.[C]

Obtain forms for verifying total amounts recorded in a social security account at the local office or at a post office. Show students how to fill out the form in class. Do not have students mail in the completed forms unless the student has made social security contributions.[B]

Have students complete the following open-ended statements to determine their understanding of social security:

1. The basic idea of social security is........
2. A person needs to be aware of changes in the social security system because........
3. One needs a social security card if.........
4. Social security benefits are paid for:
   a.
   b.
   c.

Evaluate students for knowledge and communication skills.[B] [C]

[C] = Common Essential Element

[B] = Basic Skill Reinforcement

CONSUMER AND FAMILY ECONOMICS
UNIT VII

COMPETENCY: *Analyze job and career opportunities related to consumer careers.*

SUB-COMPETENCIES: *Describe occupational opportunities and preparation requirements for careers in consumer and family economics.*

Identify entrepreneurial opportunities in careers related to consumer and family economics.

CONCEPTS

VII. Consumer careers
  A. Occupational opportunities and preparation requirements
    1. Occupational opportunities

LEARNING AND EVALUATION EXPERIENCES

Introduce occupational opportunities by explaining that jobs exist because of a *derived demand*. Derived demand is the demand for workers created because people are buying certain goods and services. Discuss how jobs are created or eliminated by changes in business, government, and consumer spending decisions. Point out to students that *investment in human capital* includes the money and time spent on education, training apprenticeships, and other means of acquiring new skills that enable the individual to be more productive or get a better job. Explain that every career has *opportunity costs* which are the things one must give up when one career is chosen over another. KEY QUESTIONS: What jobs have been eliminated or created in your community in the past five years? What has influenced the derived demands?

Invite a chamber of commerce member or a business leader knowledgeable in community business to talk to the class about industries that have grown, those which have suffered declines in the past ten years, and those favored to grow in the future. KEY QUESTIONS: How can an individual utilize this information when choosing a career? How does derived demand influence career choices? The discussion should include occupational training opportunities available such as: high school programs, post-secondary training, military service, apprenticeship programs, private vocational schools, internships, and on-the-job training. What are the local employment opportunities?[C]

a. Skilled

Have students brainstorm to list entry-level jobs or careers that are related to consumer affairs. Make a class list. Discuss the responsibilities and duties of each of the jobs listed. KEY QUESTION: What kind of future in relation to job advancement can one expect in the jobs listed?[C]

Have students select an entry-level job that interests them. Students can read resources, conduct interviews, and make observations to determine the skills, abilities, responsibilities,

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[C] = Common Essential Element

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
	educational requirements, and advancement opportunities of the position. Have students write a short paragraph summarizing their findings. Ask students to share paragraphs with class.[B] [C]
b. Technical	Invite a counselor or professional in the community to describe job opportunities in consumer and family economics for the semiprofessional and technical person. Ask the speaker to explain how often opportunities such as these are available, how many people are qualified for such positions in the community, and the salary that can be expected. Make a class list of the opportunities discussed.[C]
c. Professional	Have students study recent periodicals, newspapers, and government publications such as *Occupational Outlook Handbook* to identify careers in consumer and family economics. Include the following: consumer information specialist, marketing specialist, family counselors, home economist, teacher of consumer education, dietician, nutritional technical, financial counselor, scientist, chemist, product tester, writer, fashion coordinator, and consumer consultant. Ask each student to analyze a specific job or career they are interested in and determine how they might prepare for the position, advance in that position, or move to other positions. Students can share findings with class members.[C]
	Have students conduct library work to prepare a paper dealing with one job from each occupational area (skilled, technical, and professional) in the consumer and family economics field. Instruct students to consult periodicals such as the *Occupational Outlook Quarterly*, newspapers, magazines such as *Fortune*, and books such as the The Occupational Outlook Handbook. Have the students choose a job in each occupational area that interests them and write a brief paper summarizing the training needed and the necessary requirements for each job. Evaluate papers according to the student's ability to communicate effectively and the paper's content.[B] [C]
	Have the students use three of the job positions they researched and complete Teaching Aid 136. In class discuss the students' responses.[C]
	Have the students read the classified ads in the newspaper and pick out one job that interests them in the consumer and family economics field. Ask students to prepare for an interview for the job of their choice and in class have each student role play an interview for that particular job. It would be helpful to review interviewing techniques before the role plays are conducted. Refer

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[B] = Basic Skill Reinforcement

[C] = Common Essential Element

students to Teaching Aid 137 for this review. After each interview, have students fill out Teaching Aid 138 for self-evaluation.[B] [C]

Have students develop guidelines an employee should follow when terminating a job. Guidelines that should be included are as follows:

1) A notice of intent to leave the job should be given to the immediate supervisor.
2) Written notice should be given if it is company policy.
3) Notice of termination should be given soon enough for the employer to find a replacement by the time the job is vacated.
4) It is customary to give at least two weeks notice, and a four weeks notice if paid once a month.

KEY QUESTIONS: Are there any good reasons for quitting a job, and if so what are they? Does the manner one uses to terminate a job influence future jobs? How are references related to termination policies? If one decides to quit, what does one tell the employer?[C]

2. Preparation requirements

Invite a local community college representative to talk to the class or have students study college catalogs to learn about the educational requirements and training programs offered in consumer related areas. KEY QUESTIONS: What high school subjects would provide a good background for jobs related to consumer economics? What post-secondary training opportunities are available? What are the costs of the training? How long is the training? What are the admission requirements? What job placement services are available?[C]

Have students survey the Yellow Pages to determine educational resources (schools, vocational classes, etc.) that are available in the community or the nearest city. The school librarian may have catalogs of schools that offer consumer and family economics educational opportunities. Students could write for program information if it is unavailable from the library. A bulletin board on consumer and family economics educational opportunities could be prepared by some students.[C]

Ask students to interview a person who works in a job related to consumer and family economics. Have the person determine what educational requirements are in effect for that particular job, where the interviewee received training, and the length of the period of training and/or education Limit class reports to five minutes.[C]

[B] = Basic Skill Reinforcement
[C] = Common Essential Element

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
a. Retraining	Lead the class in a discussion of how retraining is becoming more common with employers. Point out how some companies are paying the tuition for classes that employees take to help them advance to a better job. Some companies even offer tuition subsidies, whether or not the courses are directly applicable to the job the person is doing. In some situations, there are classrooms on the premises which offer workshops and skill development programs both during and after working hours. Discuss how retraining is the solution for workers whose jobs change or become obsolete. KEY QUESTIONS: How can a retraining program be considered job insurance for the employee? What retraining programs are offered in the community or nearest city?[C]
b. Life management techniques	Discuss in class the life management skills which would enhance productivity on the job. Include skills such as decision-making ability; use of time, energy, and resources; managerial ability; record keeping ability; and the ability to organize activities. Also discuss the importance of the ability to define personal priorities, standards, and goals. Explain how good physical health affects productivity on the job. KEY QUESTIONS: Why is the ability of an employee to use resources creatively important to an employer? Why is the ability of an employee to use resources creatively important to an employee? How can managerial ability help an employee on the job? Why is it important to an employer to hire people who can use time and energy efficiently? How can competencies as a consumer benefit an employee on the job? How is productivity in a job affected by nutrition? rest? exercise? hygiene and good health routines? Why is it important for people to have a balance of work and recreation in their life?[C] Have students work in small groups to identify ways to develop life management skills. Students can role play situations depicting the use of these skills in some type of job related to consumer and family economics. KEY QUESTIONS: To what degree do you have these skills? Do you consider it important to have these life management skills? Why? How could you go about developing these skills?[C] Ask students to give a short response, either verbal or written, on how the following abilities can affect productivity in a job in consumer and family economics: numerical ability (working with numbers accurately), reasoning ability (solving problems in a sensible way), verbal ability (expressing oneself and understanding ideas expressed in words), word fluency (writing and talking easily), the ability to follow directions and to organize activities, record keeping ability and a willingness to work.

[C] = Common Essential Element

Discuss in class how these skills that are helpful to jobs in consumer affairs could be beneficial in any occupation.[B] [C]

Have students view the transparency on Teaching Aid 139 Attitudes for Success to identify attitudes which will enhance productivity on the job. Lead students in a discussion of how attitudes affect productivity on the job.

Have students write a brief paper summarizing the degree to which they have developed life management skills that enhance productivity on the job. Students should include suggestions for improving any areas where they are weak.[B]

3. Occupational demands and rewards
   a. Demands

Read to the students or use as a handout The Ten Commandments by a Wise Employer on Teaching Aid 140. Discuss each part as it is read and determine how it is a demand of the employer. Point out the responsibilities of the employee in meeting these demands. Discuss the demands typical of careers in consumer economics such as any patterns related to specific skills, hours, stress level, personal traits necessary, and vulnerability to economics or geographic constraints.[C]

Have students read I Want a Worker on Teaching Aid 141 and work the crossword puzzles on Teaching Aid 142 to identify qualities an employer expects in their employees. Answers:

Puzzle A

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                            K
  S                         N
  I   C O N S I D E R A T I O N
  N         A               W
  C H E E R F U L           S
  E         E   I
T R I E S   T   K
  E         Y   E     T
                S P I R I T
                      U   E
                      T   A
                      H   M
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[B] = Basic Skill Reinforcement
[C] = Common Essential Element

Puzzle B

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      F                       W
      A S K S           C     I
      C     I       T   H     L
L I K E S   N       R   E   S L   K   D
            C O N S I D E R A T I O N J O B
            E       E   R   F   N   O   O
      S P I R I T   S   F   E   G   W   R
            E   E       U   L       S   S
                A       L   Y
                M
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Ask students to check their answers, they can discuss the qualities. Ask students to list other qualities an employer might expect their employees to possess. KEY QUESTION: How might these qualities expected of employees be considered demands of the job?[C]

As students read a handout Remember This on Teaching Aid 143. Have students write a paper giving their interpretation of the demands of the job mentioned and justification for the demands. Papers can be read and discussed in class.[B]

Discuss the demands placed on family life by job(s). KEY QUESTIONS: How can an employee help to alleviate such stress on family life? What can family members do to help the situation? Do the family members gain anything personally from the job? What help is there for employees who take job stress home to their families?

Discuss the stress associated with travel time to work. To foster discussion, conduct a class poll to determine how many students have to travel over 20 miles to school. KEY QUESTIONS: Does one feel positive or negative about the drive? What are the extra costs in travel? Point out to students some costs and stress.

b. Rewards

Invite a local employer to class to speak about the benefits currently offered at the speaker's business. Ask the speaker to describe the current trends in this area. Instruct students to prepare to ask the speaker questions concerning benefits and rewards.

Discuss the benefits of choosing a job that has a good safe working environment and encourages good safety practices for all employees. Explain to students that the major causes of accidents are as follows: lack of knowledge, poor safety attitudes, physical

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[C] = Common Essential Element

[B] = Basic Skill Reinforcement

limitations, lack of skill, fatigue, and an unsafe environment. Instruct students to write a paper describing a safe working environment. Have students include several suggestions for preventing work-related accidents that are due to the causes listed above. Examples of suggestions are as follows:

1) Holding a workshop for all new employees, informing them of safety precautions and practices
2) Requiring a demonstrative skills test for all new employees and administrated periodically for current employees
3) Sponsoring a "Safe Employee of the Month" to promote good safety attitudes.[B] [C]

Discuss the financial rewards of a job. Point out that most new workers usually start at the entry-level salary for the job. Discuss the fact that higher wages are rewards and incentives for employees who have been working in a company. Have the class define *fringe benefits*. These can be defined as extras that companies supply over and above wages. Point out that traditionally, fringe benefits include paid vacation time, sick leave retirement plans, and group insurance. Discuss the rewards typical to careers in consumer economics. Discuss financial rewards that many companies offer employees. For example profit sharing, which allows employees to buy stock in the company and earn dividends, and end-of-year bonuses. Point out other benefit packages that some companies are offering which include:

Health insurance: In addition to standard medical coverage, some companies offer dental, mental and visual health programs. Some large companies have mental health clinics on their premises to help employees with family matters such as alcohol, drug, or emotional problems.

Exercise and recreational facilities: Some companies offer these facilities to employees and their families.

Educational programs: Many companies pay tuition subsidies for classes; however, other companies have classrooms on the premises and offer skill development courses and workshops.

Day care programs: Some companies have child care facilities located on the premises; others share the cost of child care with the parent. KEY QUESTIONS: How can fringe benefits be considered a reward? How might fringe benefits influence one considering a job? Why is it important to weight the fringe benefits of one job against those offered by another?

[B] = Basic Skill Reinforcement
[C] = Common Essential Element

Lead a class discussion on the psychological/sociological rewards of a job. Point out that rewards of a job are not the same for each person. Psychological/sociological rewards might include:

Self-fulfillment: by making use of the employee's skills, talents, background information; challenging and offering potential for personal growth.

Values: giving the employee self-respect, not compromising the employee's principles.

Status: or high social standing in the community or within the company and the life style important to the employee.

Stress: by offering some employees a low-key position and other a competitive demanding job situation according to their preferences. Ask students to identify other rewards desirable in a job.

Lead a class discussion on the geographical/environmental rewards of a job. Point out that these rewards vary among individuals. Geographical/environmental rewards include:

Travel: The chance to travel, change environments, and see the world is a job reward to some people.

Relocation: Moving to another city, state, or county is a reward of the job for the person wanting to live and work in another area.

Environmental factors: Light, air, openness, quiet, beauty, and privacy make a big difference to many people and would be a reward to them.

KEY QUESTIONS: What rewards would one want from a job? Why should or should not a person take an entry-level job if the desired rewards are not a part of the job?[C]

B. Entrepreneurial opportunities
   1. Starting a business

Define *entrepreneur* for students. The definition may be similar to a person who organizes, manages, and assumes responsibility for a business. Have students brainstorm to identify the types of businesses related to consumer economics an entrepreneur might consider. The rules for brainstorming are in Unit I. Examples might include: personal shopper, house sitting service, plant care service, home or institutional cleaning or maintenance service, etc. Compile a class list. List factors that should be considered before establishing a new business related to consumer affairs. KEY QUESTION: How will characteristics of the community such as

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[C] = Common Essential Element

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
	average income, standard of living, and cultural aspects affect the success of business?[C] Ask students to work individually or in small groups to complete one of the following assignments: * Interview owners of businesses related to consumer economics to determine the procedures they followed in establishing their businesses. * Check with the city zoning department to find out what regulations apply to operating a business from a home or residence. * Contact the Small Business Administration for information on setting up small businesses. * Interview a loan officer at a local bank to determine how individuals finance starting their own business, the kind of collateral required, and the available interest rates.[C]
2. Surveying need for business	Have students search the yellow pages in the telephone book to determine how many businesses in the community are related to consumer economics. Students can work in small groups and brainstorm for ideas on the needs of the community. They should consider the size, economy, and number of established businesses related to consumer economics. Have students prepare a class list of possible businesses in the community. Have the class select three of the possible businesses from the list prepared by the class. Students can develop a questionnaire to use in determining the reaction of the community to the proposed businesses. The questionnaire can be distributed to groups of people that would be consumers. Students can tally the results and predict the success or failure of the proposed business.[C]
3. Procedures a. Labor laws and regulations	Ask students to use reference and guidebooks to identify the procedures for starting a business. Remind them to look for information concerning licensing, location of the business, and taxes. KEY QUESTIONS: What factors affect the location of the business? Will a license be required to start the business? If so, how and where may the license be obtained? How will social security taxes affect the establishment? Where may another entrepreneur obtain information and assistance with sales tax and other business taxes?[C] Invite a representative from a local employment office or the state labor department to discuss labor laws and regulations in the state. Students should prepare questions for the speaker before he/she arrives. KEY QUESTION: Do laws in the state where residing differ from laws in other states? Why?[C]

[C] = Common Essential Element

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
4. Business procedures	Have students listen to a panel of business owners or an entrepreneur discuss the systems and records necessary to keep track of business revenues, expenditures, inventory, payroll, payroll deductions, and taxes. KEY QUESTIONS: Why is it important to develop a complete record keeping system for both day-to-day and long-range documentation of business operations? Which business records tell the entrepreneur what items to restock? How can the worth of an inventory be determined? Is it important to know the amount of accounts receivable? How is business decline or growth determined?[C]
	Have students make a class list of sources of information and names of professionals that could provide assistance in setting up a new business. Examples include: lawyers, contractors, realtors, bankers, accountants, employment agencies, Small Business Administration, and Retail Merchant's Association.[C]
5. Partners	Present the three types of legal forms a business can have: individual proprietorship, partnership, and corporation. Have students consult references to define each of the forms and discuss in class.[B]
	Invite a member of the local chamber of commerce to class to be a guest speaker. Have the speaker discuss each form of business and describe ways to find partners in business. Have students prepare a list of questions for the speaker. KEY QUESTIONS: Which form allows the most profit? What type of agreement has to be made between partners? Are store accountants considered partners? How could one dissolve a partnership?
6. Product and test-marketing	Brainstorm with the students ways to begin to sell a product. Examples include the following: selling in person, using sales letters, conducting a sales presentation, hiring a sales representative, etc. KEY QUESTION: Which method would be most effective?
	Discuss ways a computer can be used in the future to conduct widespread test marketing. KEY QUESTION: What other trends are emerging in this area?
	Have students choose a product and write advertising for that particular product. Instruct students to choose what media they would like to use for their ad. Suggest students choose from the following media: newspapers, magazines, classified directories, radio, television, mailers, and catalogs.[B]

[C] = Common Essential Element

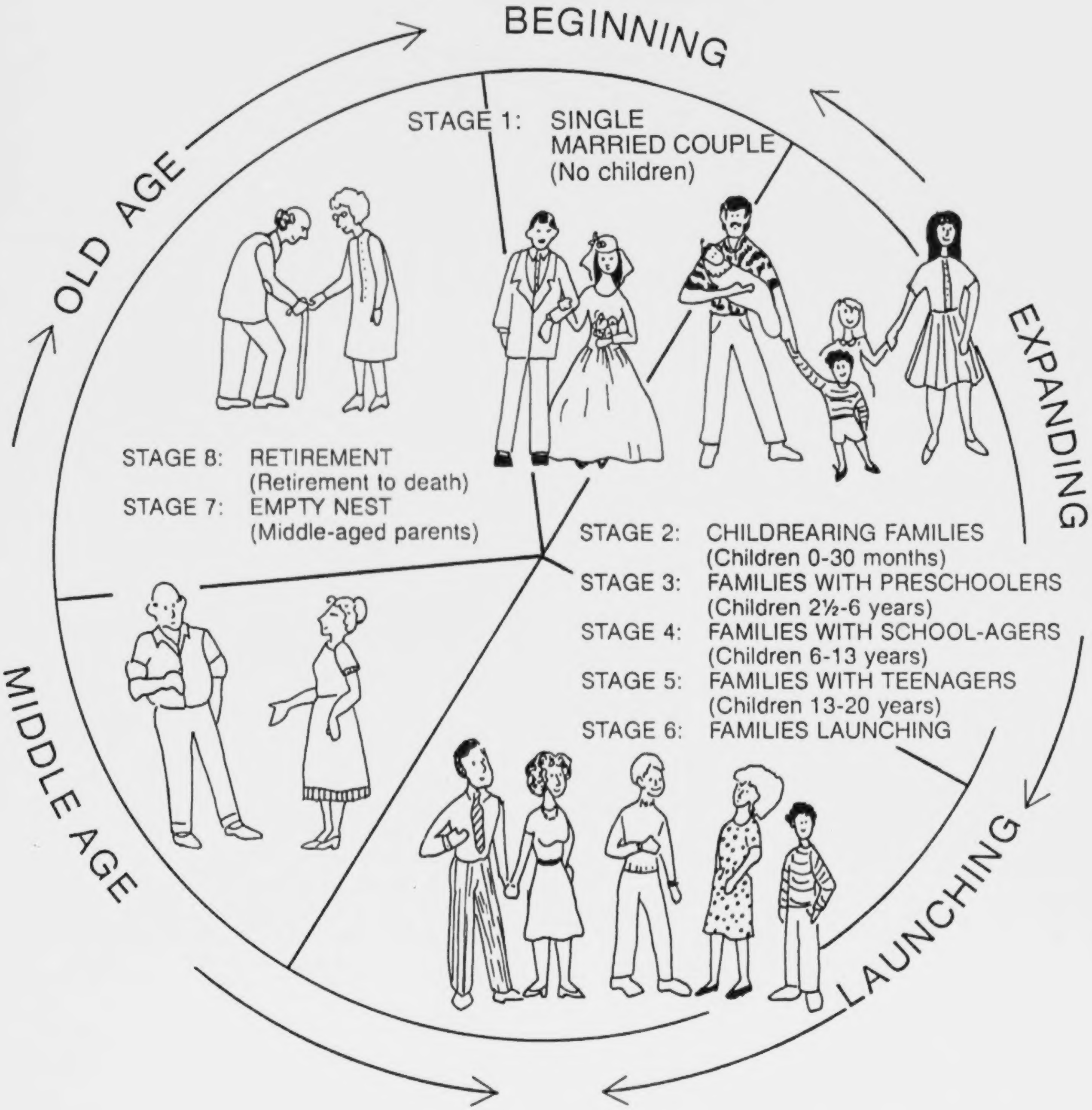
[B] = Basic Skill Reinforcement

CONCEPTS	LEARNING AND EVALUATION EXPERIENCES
7. Raising funds	Have students list sources of money to start a business with, such as savings accounts, relatives, investors, banks, finance companies, etc. Discuss the possibilities of each source. Invite a local business person to class to be a guest speaker. Have the speaker answer questions concerning ways to raise enough money to begin a business. Encourage students to prepare questions and ask the speaker to allow time at the end of the presentation for questions. Divide the class into three groups and have one group find out the approximate cost of office equipment and furniture. Instruct the second group to find out the local cost of most business offices and buildings. Have the third group investigate the zoning restrictions upon businesses. Instruct each group to elect a spokesperson to report findings to the class.[C]
8. Facilities	Have students interview the manager or an equipment owner of a business related to consumer economics to make a list of the types of equipment and facilities they have. Students should ask how the equipment is used and whether or not it is essential, how often the equipment needs to be replaced or repaired, if maintenance contracts are required, and who their suppliers are. Students can obtain catalogs for the class library from equipment manufacturers along with price lists. Have students estimate the cost of essential equipment for starting an assigned type of business. KEY QUESTION: Could costs be lowered by starting with used equipment? If possible, have students compare costs of used and new equipment.[C]
9. Consumer contacts	Lead a class discussion on the ways a business can foster good public relations with customers and then have students develop a set of guidelines. Examples might include: 1) Greet customers promptly and pleasantly. 2) If you are busy, say "I'll be with you soon" in a friendly manner. 3) Wait on customers in the order they enter the establishment. 4) Be prepared to answer questions about products or services. 5) Thank customers and invite them back.[C] Have students write a paper on "Entrepreneurial business is for me because ______________________________" or "Entrepreneurial business is not for me because ______________________________" Students can share the papers in class.[B] [C]

[C] = Common Essential Element

[B] = Basic Skill Reinforcement

FAMILY LIFE CYCLE

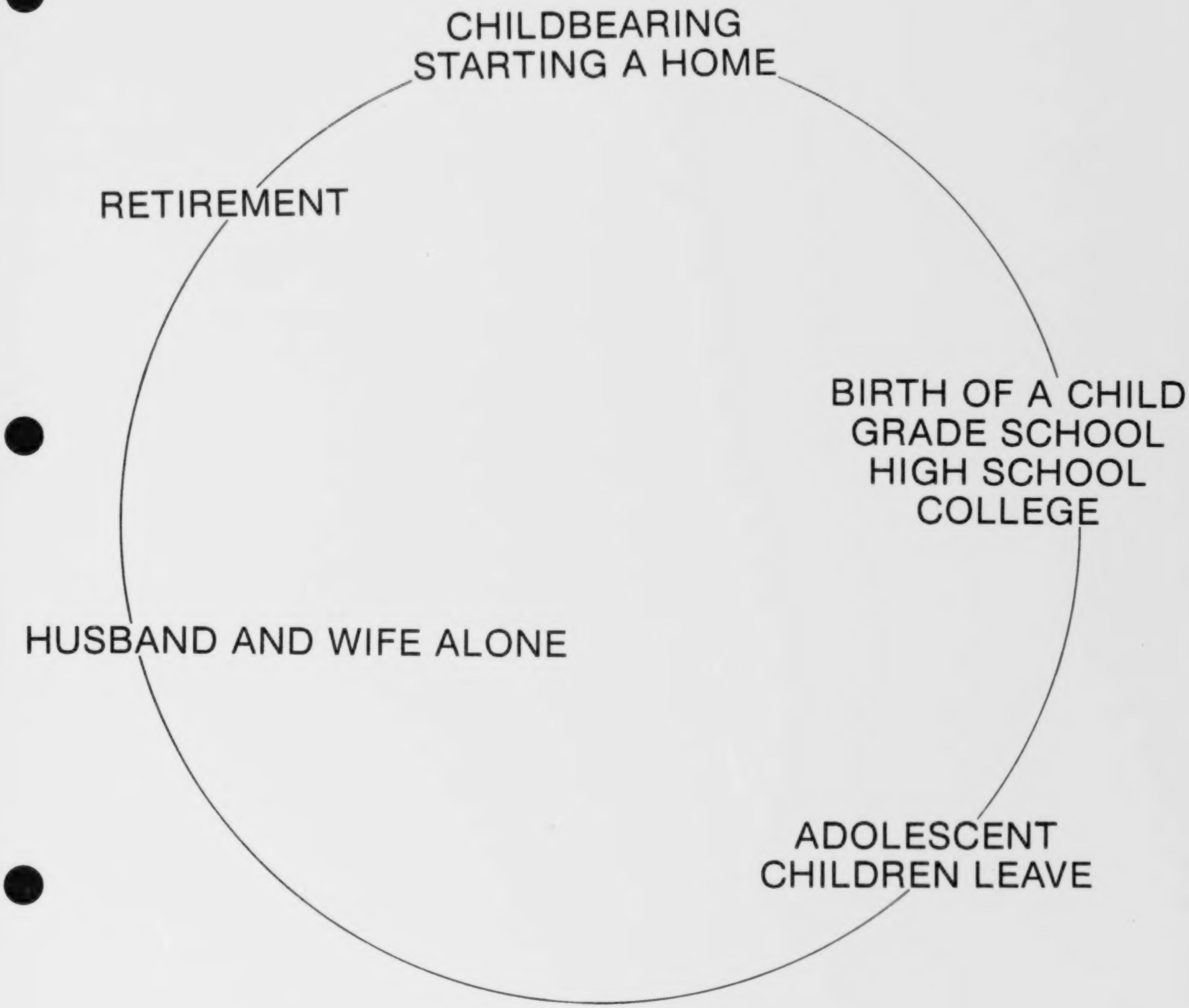


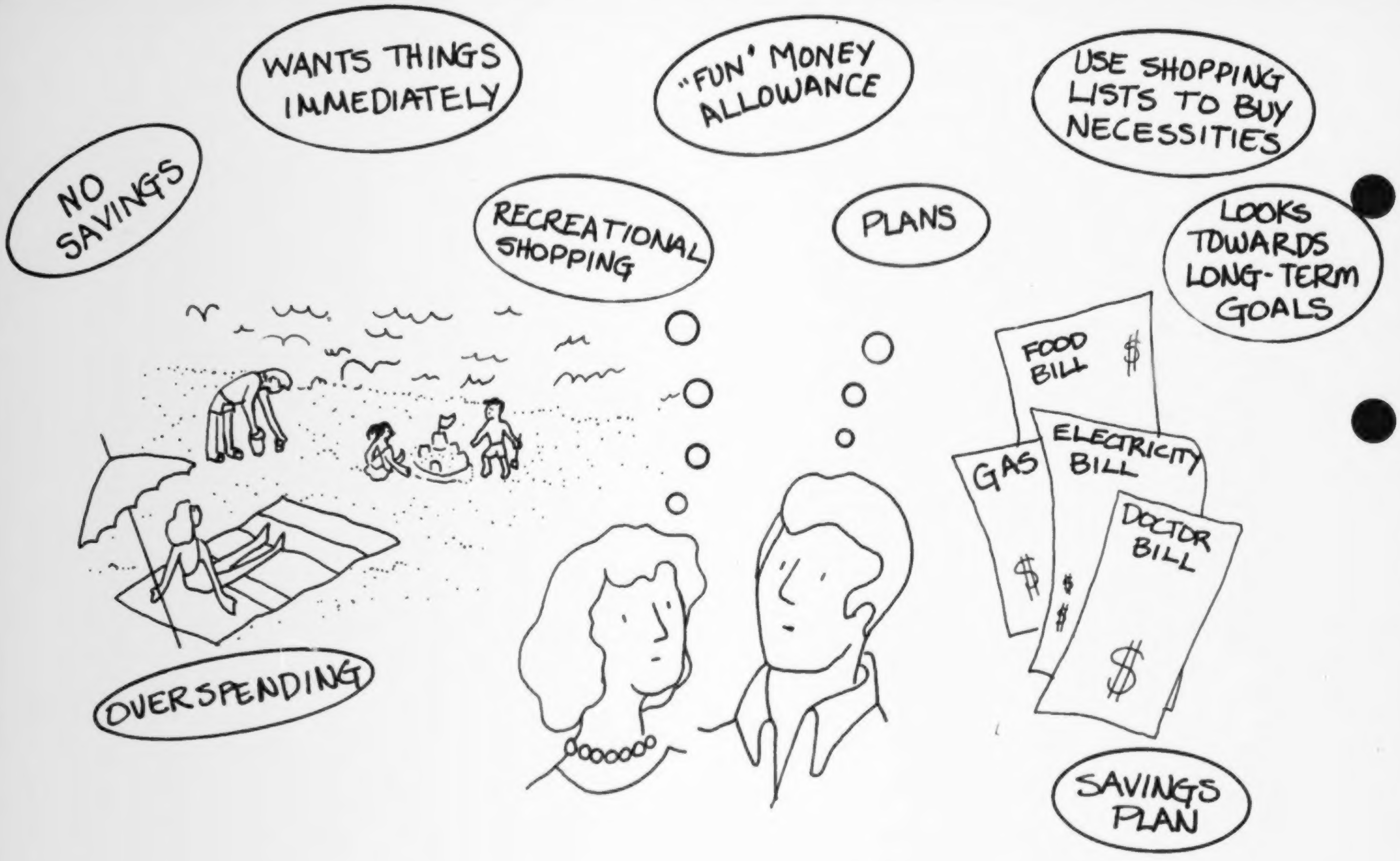
STAGE 1: SINGLE
MARRIED COUPLE
(No children)

STAGE 2: CHILDREARING FAMILIES
(Children 0-30 months)
STAGE 3: FAMILIES WITH PRESCHOOLERS
(Children 2½-6 years)
STAGE 4: FAMILIES WITH SCHOOL-AGERS
(Children 6-13 years)
STAGE 5: FAMILIES WITH TEENAGERS
(Children 13-20 years)
STAGE 6: FAMILIES LAUNCHING

STAGE 7: EMPTY NEST
(Middle-aged parents)
STAGE 8: RETIREMENT
(Retirement to death)

CHARACTERISTICS OF EACH STAGE

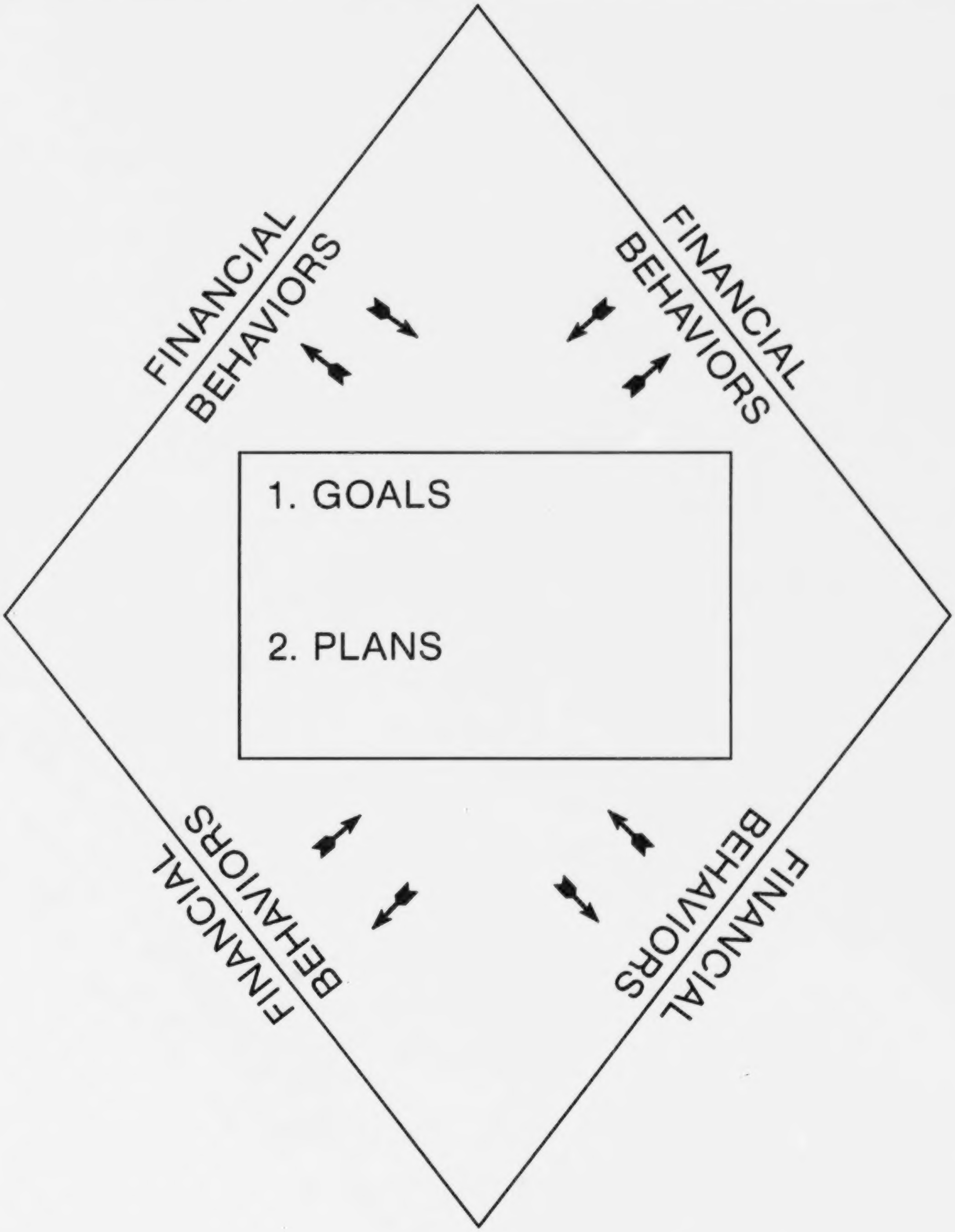




IMPULSIVE SHOPPER OR SELF-DISCIPLINED PLANNER

WHO WILL REACH GOALS?

RELATIONSHIP OF GOALS, PLANS, AND BEHAVIORS



FORCED CHOICE PRIORITIES TEST[1]

DIRECTIONS: Circle the number opposite the one statement in each pair which most appeals to you. You must choose one number in each pair of items.

1--to be reasonably sure about the future for myself and my family.
12--to do things well.

3--to have people think well of me.
5--to have as much freedom as possible to do the things I want to do.

11--to have as many good things as possible.
12--to do things well.

6--to do new and different things often.
8--to create an atmosphere that makes for satisfying family living.

3--to have people think well of me.
9--to do what is right according to my beliefs.

8--to create an atmosphere that makes for satisfying family living.
10--to have things neat, orderly, and organized.

4--to do things for my family and others.
11--to have as many good things as possible.

10--to have things neat, orderly, and organized.
12--to do things well.

2--to have influence with people.
11--to have as many good things as possible.

4--to do things for my family and others.
10--to have things neat, orderly, and organized.

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[1] Taken from Teaching Topics from Institute of Life Insurance and Health Insurance Institute, Vol. 19, No. 2, Spring, 1970, pp. 7-8, 11. Adapted by Teaching Topics from a test developed by Mrs. Doris Dyer for use in a M.A. thesis, Department of Home Management and Child Development, Michigan State University, East Lansing, Michigan, 1962.

2--to have influence with people.
12--to do things well.

4--to do things for my family and others.
12--to do things well.

4--to do things for my family and others.
7--to have friends.

5--to have as much freedom as possible to do the things I want.
8--to create an atmosphere that makes for satisfying family living.

2--to have influence with people.
3--to have people think well of me.

7--to have friends.
8--to create an atmosphere that makes for satisfying family living.

5--to have as much freedom as possible to do things I want to do.
12--to do things well.

3--to have people think well of me.
11--to have as many good things as possible.

6--to do new and different things often.
12--to do things well.

9--to do what is right according to my beliefs.
12--to do things well.

1--to be reasonably sure about the future for myself and my family.
10--to have things neat, orderly, and organized.

3--to have people think well of me.
8--to create an atmosphere that makes for satisfying family living.

5--to have as much freedom as possible to do things I want to do.
6--to do new and different things often.

6--to do new and different things often.
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7--to have friends.

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9--to do what is right according to my beliefs.

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11--to have as many good things as possible.

1--to be reasonably sure about the future for myself and my family.
4--to do things for my family and others.

1--to be reasonably sure about the future for myself and my family.
7--to have friends.

3--to have people think well of me.
11--to do things well.

1--to be reasonably sure about the future for myself and my family.
3--to have people think well of me.

5--to have as much freedom as possible to do the things I want to do.
9--to do what is right according to my beliefs.

7--to have friends.
12--to do things well.

DIRECTIONS FOR SCORING FORCED CHOICE

PRIORITIES TEST

1. Count the number of times Number 1 was circled. Insert the number counted in the blank to the left of statement Number 1 below. Do this for each of the items through Number 12.

2. Rank the items in the column to the right by assigning number one to the item that was circled the most times, number two to the item circled the second highest number of times, etc. In case of a tie give the items all the same rank, but allow a full number count for each item. For example, if there is a tie on Number 3, assign two number threes, which take up the three and four spots, making five the next rank.

3. When the rankings have been completed, look at the key to the left of the ranking and determine the highest to lowest priorities. EXAMPLE: If Number 10 is ranked 1, that means that on the day the activity was completed, your highest priority was orderliness. This activity is measuring limited choices which may change with circumstances and new goals.

Be sure to check with the teacher if there are any questions on scoring or ranking.

No. of Times Circled	Key		Rank
________	Security	1. To be reasonably sure about the future for myself and my family.	___
________	Influence	2. To have influence with people.	___
________	Recognition	3. To have people think well of me.	___
________	Helpfulness	4. To do things for my family and others.	___
________	Freedom	5. To have as much freedom as possible to do the things I want to do.	___
________	New Experience	6. To do new and different things often.	___
________	Friendliness	7. To have friends.	___

(Continued on next page)

No. of Times Circled	Key		Rank
____________	Family Life	8. To create an atmosphere that makes for satisfying family living.	____
____________	Religion	9. To do what is right according to my beliefs.	____
____________	Orderliness	10. To have things neat, orderly, and organized.	____
____________	Wealth	11. To have as many good things as possible.	____
____________	Workmanship	12. To do things well.	____

GOALS

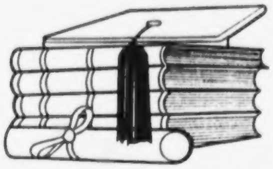
SHORT TERM

CLOTHES

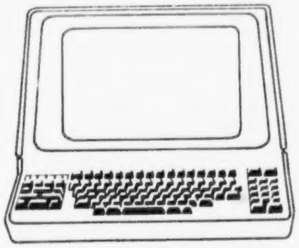
DINING OUT

RECREATION

CAREER



EDUCATION



COMPUTER

WEDDING

LONG TERM

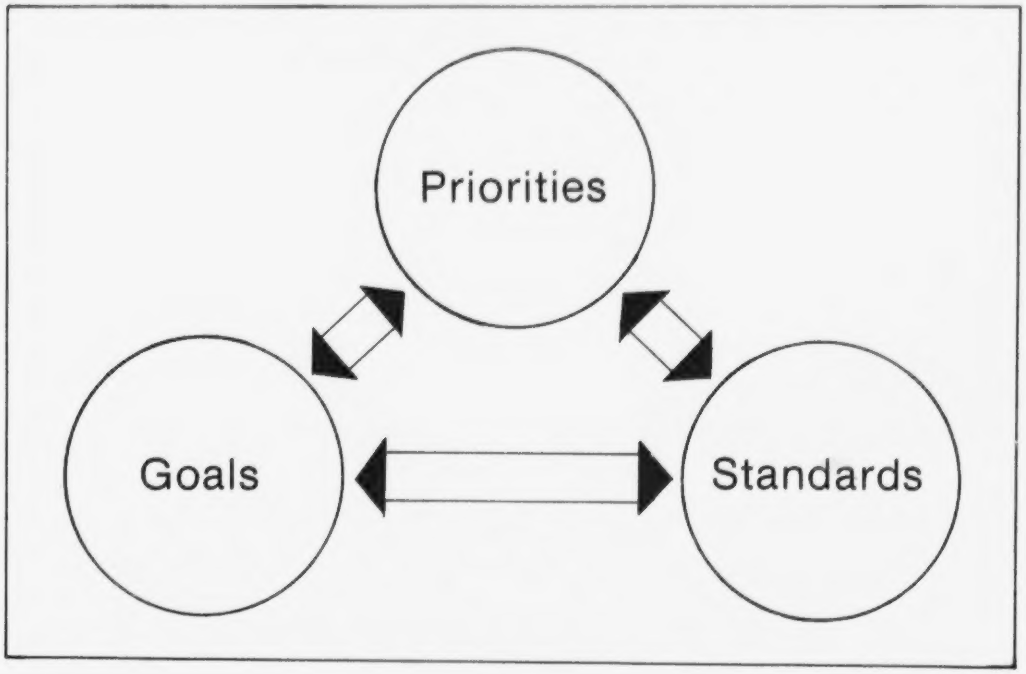
PRIORITIES GOALS STANDARDS

The Garden Grove Apartments are located in the northern part of a middle-sized city in Texas. Three families, the Washingtons, the Lopezes, and the Millers all live in this complex and have approximately the same incomes. Their housing and food expenses are similar. However, their other expenses vary considerably.

The Washingtons own a color TV set, often go for short drives on the weekends, and attend many football and basketball games. Jimmy Washington has poor teeth and the family seldom seems to have enough money for dental bills. The family seldom buys any furnishings for the home and have no savings.

The Lopezes have a small account to which they try to add money monthly so their son can go to school and study electronics at a technical school when he finishes high school. They are now buying a set of reference books on the installment plan for the younger children in the family. They have a black and white TV set and spend many evenings watching TV programs. The Lopezes would like a new rug, but at the present cannot afford one.

The Millers like to fix things, so they spend a great deal of time refinishing expensive pieces of furniture and have just finished painting their apartment. Their most recent purchase was a new chair for the living room. Susie Miller wants a tennis racquet for the next tennis meet, so the family is trying to see how they can afford this. After they make their contribution to church this week, there will be little money left until the next paycheck.



GOALS CHART FOR INDIVIDUALS

PRIORITIES	SHORT-TERM GOALS	LONG-TERM GOALS	STANDARD OF LIVING
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

GOALS CHART FOR FAMILIES

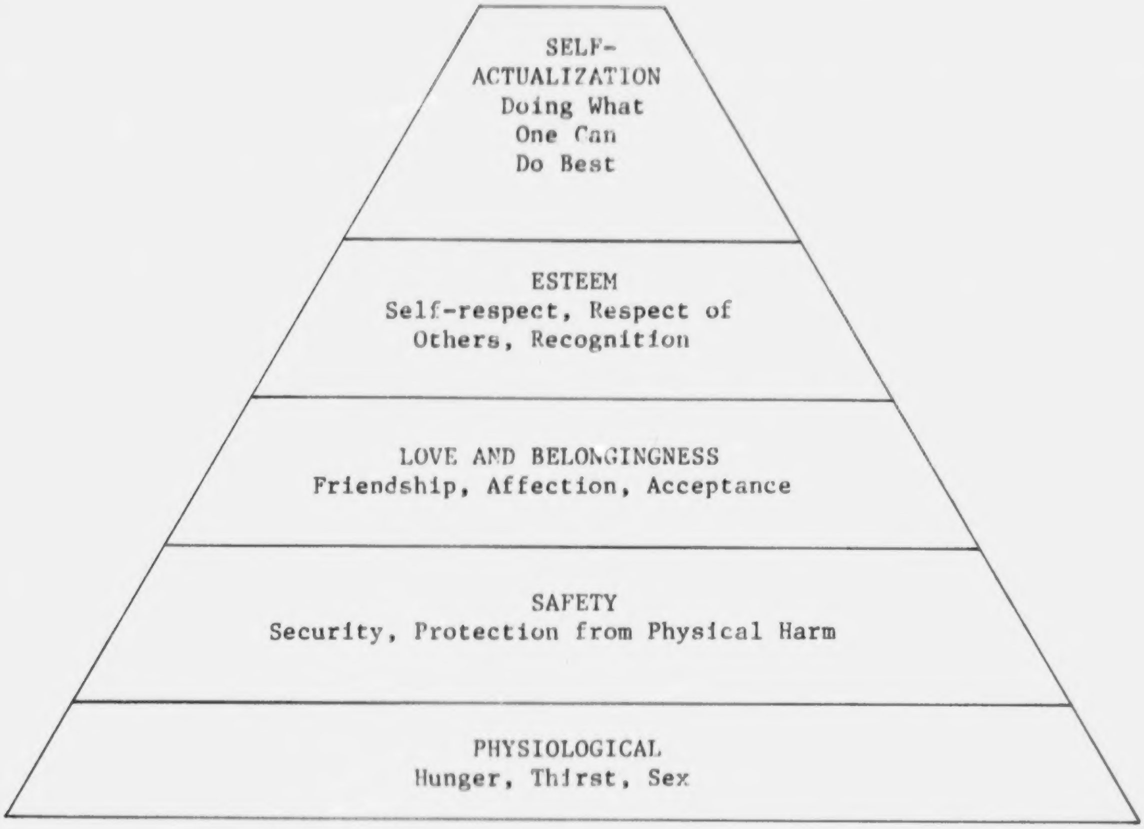
PRIORITIES	SHORT-TERM GOALS	LONG-TERM GOALS	STANDARD OF LIVING
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

WHAT IS SELF-ACTUALIZATION

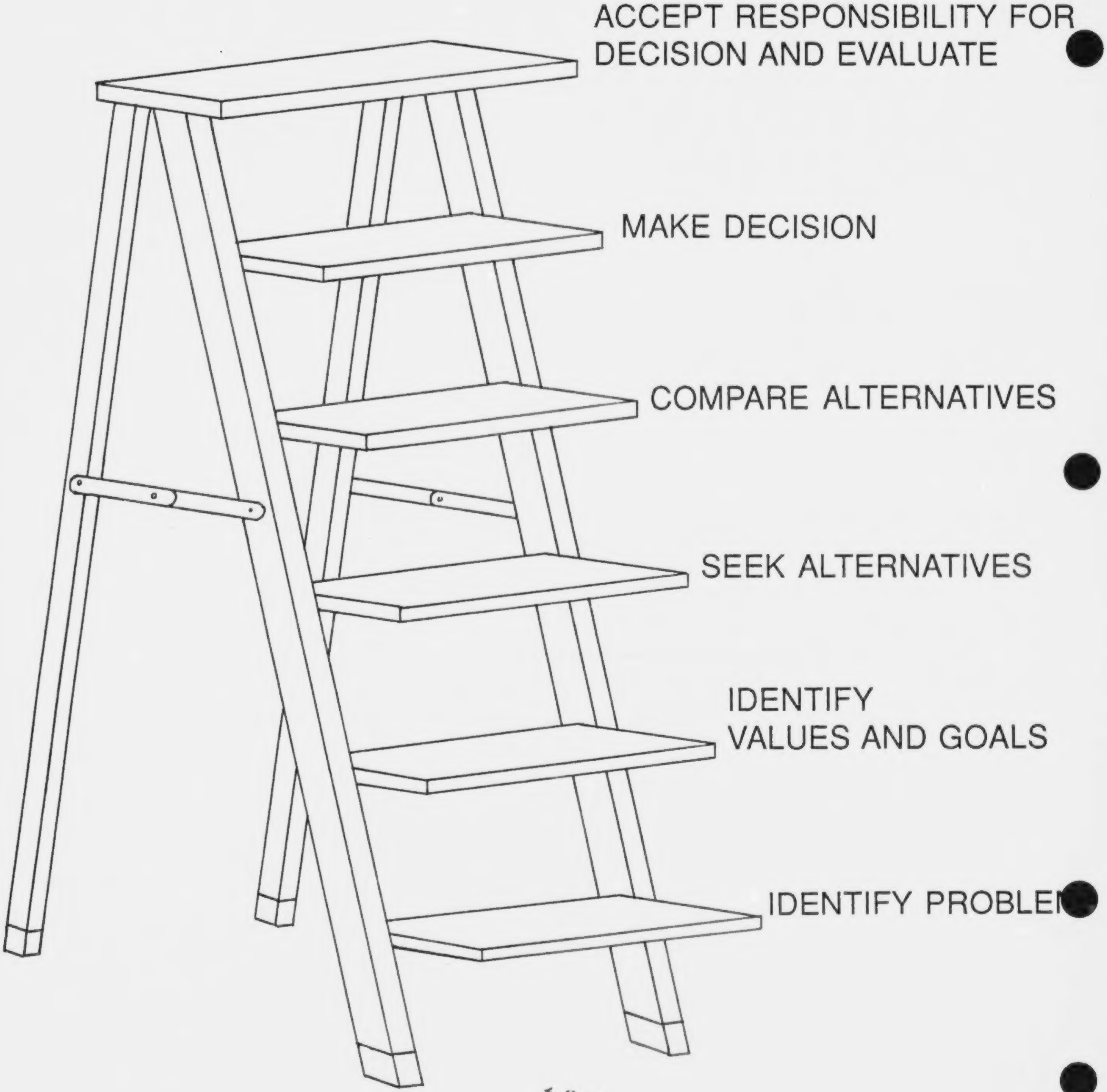
Self-actualization is defined as one of the basic human needs--it is the need to become the most effective person a human being is capable of becoming with the potentialities he or she has. It is more easily explained through an understanding of its relationship to other human needs.

All human behavior is motivated by a desire for satisfaction of several different kinds of needs. These needs have been classified by Maslow and ranked in order of most demanding (physiological) to the highest and ultimate need, which is self-actualization.

HIERARCHY OF NEEDS (3)


SELF-ACTUALIZATION
Doing What One Can Do Best
ESTEEM
Self-respect, Respect of Others, Recognition
LOVE AND BELONGINGNESS
Friendship, Affection, Acceptance
SAFETY
Security, Protection from Physical Harm
PHYSIOLOGICAL
Hunger, Thirst, Sex

STEPS TO DECISION MAKING


ACCEPT RESPONSIBILITY FOR DECISION AND EVALUATE
MAKE DECISION
COMPARE ALTERNATIVES
SEEK ALTERNATIVES
IDENTIFY VALUES AND GOALS
IDENTIFY PROBLEM

1. IDENTIFY PROBLEM.
   Decide where to eat.

2. IDENTIFY VALUES AND GOALS AND STANDARDS.
   a. money
   b. time
   c. diet/health/nutrition
   d. ecology
   e. privacy
   f. atmosphere
   g. tastes
   h. location
   i. availability
   j. other
   k.
   l.

3. SEEK INFORMATION ON ALTERNATIVES.
   a. books, magazines
   b. friends
   c. radio/TV ads
   d. packaging or menus

4. COMPARE COSTS AND BENEFITS OF ALTERNATIVES.

	ALTERNATIVES			
VALUES	Fast-food	Frozen dinner	Formal restaurant	Prepare Dinner
Money	+	+	-	++
Time	++	+	-	-
Diet	-	+-	+-	++
Ecology	-	-	-	+
Privacy	-	++	-	++
Atmosphere	-	-	++	+
Tastes	+-	+-	+-	+-
Locations	-	+	-	++
Availability	++	+	-	+-

5. MAKE A DECISION.

6. EVALUATE AND ACCEPT RESPONSIBILITY.

==

1. IDENTIFY PROBLEM.

2. IDENTIFY VALUES AND GOALS AND STANDARDS.

3. SEEK INFORMATION ON ALTERNATIVES.

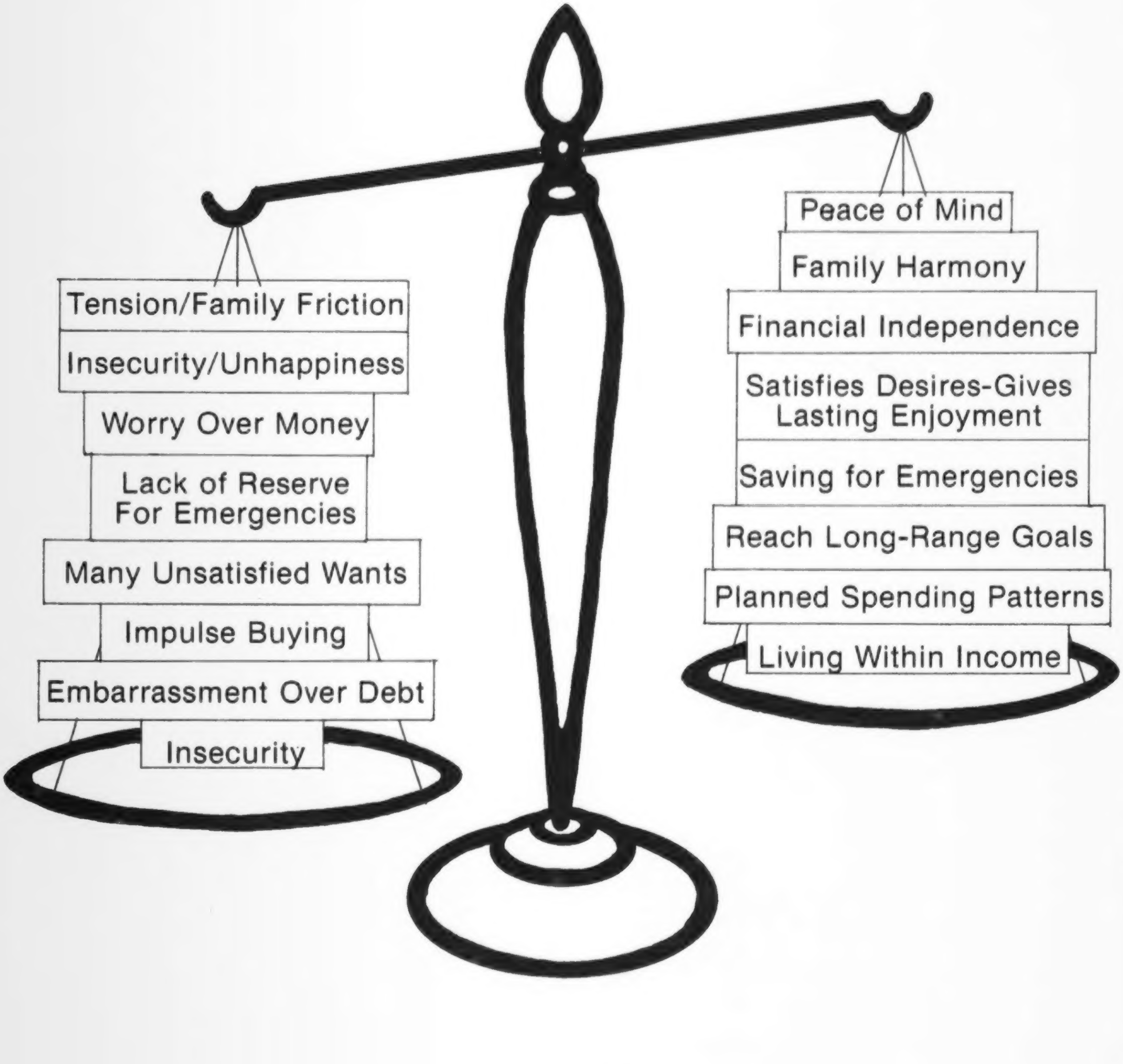
4. COMPARE COSTS AND BENENITS OF ALTERNATIVES.

VALUES	ALTERNATIVES

5. MAKE A DECISION.

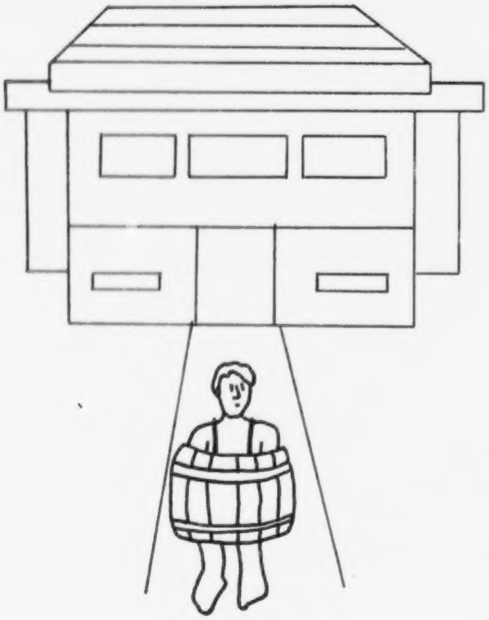
6. EVALUATE AND ACCEPT RESPONSIBILITY.

WEIGH THE ADVANTAGES OF PLANNED SPENDING



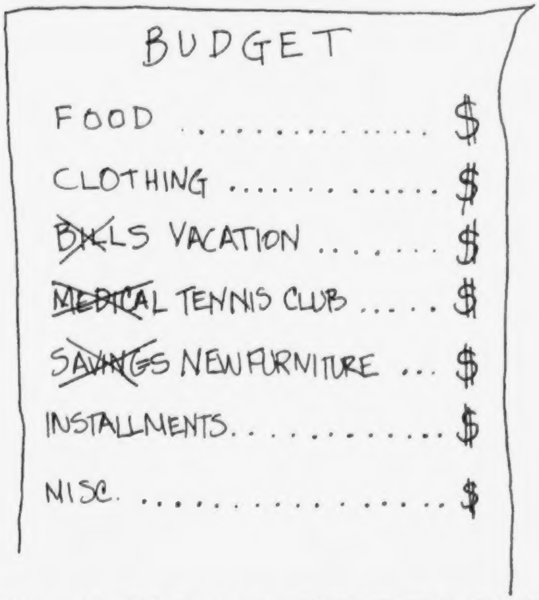
REASONS
SPENDING PLANS
MAY NOT WORK

NEEDS OF FAMILY MEMBERS HAVEN'T BEEN PLANNED FOR.



FAMILY TRIES TO USE SOMEONE ELSE'S SPENDING PLAN.

BUDGET FOR JULY
CLOTHES FOR CHILDREN . . . . . $
FOOD . . . . $
INSURANCE . . . . $
MISCELLANEOUS . . . . . $
MEDICAL . . . . $
HOUS . . . . $


BUDGET
FOOD . . . . $
CLOTHING . . . . $
~~BILLS~~ VACATION . . . . $
~~MEDICAL~~ TENNIS CLUB . . . . . $
~~SAVINGS~~ NEW FURNITURE . . . $
INSTALLMENTS . . . . $
MISC. . . . . $

FAMILY IS TOO IMPATIENT TO GIVE THE SPENDING PLAN A FAIR TRIAL

FAMILY MEMBERS SPEND FIRST AND THINK LATER.

WHAT ARE THE EXPENSES?

FIXED EXPENSES	TOTALS
Housing (Rent)	
Insurance payments Health Life Car	
Utilities Electricity Gas Telephone Water Sewage/Garbage	
Other monthly payments	
Other	
Total	
FLEXIBLE EXPENSES	
Food	
Clothing/Laundry/Dry Cleaning	
Household expenses	
Medical expenses (doctor, dentist, medicine)	
Education (school supplies)	
Transportation (car expenses, bus fares, taxis)	
Recreation (movies, sports, concerts)	
Contributions (church, community, and gifts)	
Personal (haircuts, cosmetics, allowances)	
Total	
Fixed and Flexible Total	

WHAT IS INCOME?

SOURCES OF INCOME	MONTHLY AMOUNT	WHEN RECEIVED
Wages (take-home pay) Family Member Number 1 Family Member Number 2 Family Member Number 3 Family Member Number 4 Family Member Number 5		
Social Security		
Unemployment Insurance		
Welfare Payments/Public Assistance		
Aid To Dependent Children Payments		
Other		
TOTAL		

SAMPLE SPENDING PLAN
WORKSHEET

TOTAL INCOME		
EXPENSES	Amount Planned	Amount Spent
Housing (Rent)		
Insurance payments Health Life Car		
Utilities Electricity Gas Telephone Water Sewage/Garbage		
Other monthly payments Other		
FLEXIBLE EXPENSES		
Food		
Clothing/Laundry/Dry Cleaning		
Household expenses		
Medical expenses (doctor, dentist, medicine)		
Education (school supplies)		
Transportation (car expense, bus fares, taxis)		
Recreation (movies, sports, concerts)		
Contributions (church, community, and gifts)		
Personal (haircuts, cosmetics, allowances)		
TOTAL EXPENSES		
BALANCE (Total Income-Amount Spent)		

EVALUATE RESULTS

- * unplanned spending?
- * plans accomplished?
- * more than planned?
- * over spent on items?
- * good plans and records?
- * future plan changes?
- * plans realistic?
- * plans flexible?

FAMILY RECORDS

* INCOME AND EXPENSE RECORDS

* EVIDENCES OF OWNERSHIP

* EVIDENCES OF DEBT
AND ITS CANCELLATION

* ALL INSURANCE POLICIES

* OTHER IMPORTANT ITEMS

RECORD STORAGE CHART

RECORD:	Safe Deposit Box	Home File	Perm.*	6 yr.	1 yr.	2 mo.
Bank Statements		X		X		
Birth Certificates	X		X			
Canceled Checks		X		X		
Car Title	X		X			
Cash Receipts		X				X
Credit Card List	X	X				
Credit Card Receipts and Statements		X			X	
Deposit Slips		X			X	
Insurance Policies		X	X			
Inventory of Household Goods	X		X			
Investment Records	X		X			
List of Insurance Policies	X		X			
Loan Contracts	X		X			
Marriage Certificates	X		X			
Medical Records		X		X		
Military Records	X		X			
Mortgage	X		X			
Paycheck Stubs		X			X	
Warranties		X				
Will	X		X			

*Permanent

WHERE IS IT?
(Skit)

Everyone at the Jones house is in a dither. Ralph Jones can't find the W-2 form which was sent to him a few weeks ago. He must have this form before he can fill out the income tax form. Jimmy is dumping everything out of the wastebaskets in an unsuccessful attempt to find the missing form.

"I know I left it on top of the desk," declares Mr. Jones.

"Why don't you check in the drawers?" suggests Mrs. Jones, as she begins to go through the things on top of the coffee table. "Lynn!" calls Mr. Jones, "Will you come help us look for your father's W-2 form?"

"What does it look like?"

"It's a small white envelope," replies Mr. Jones.

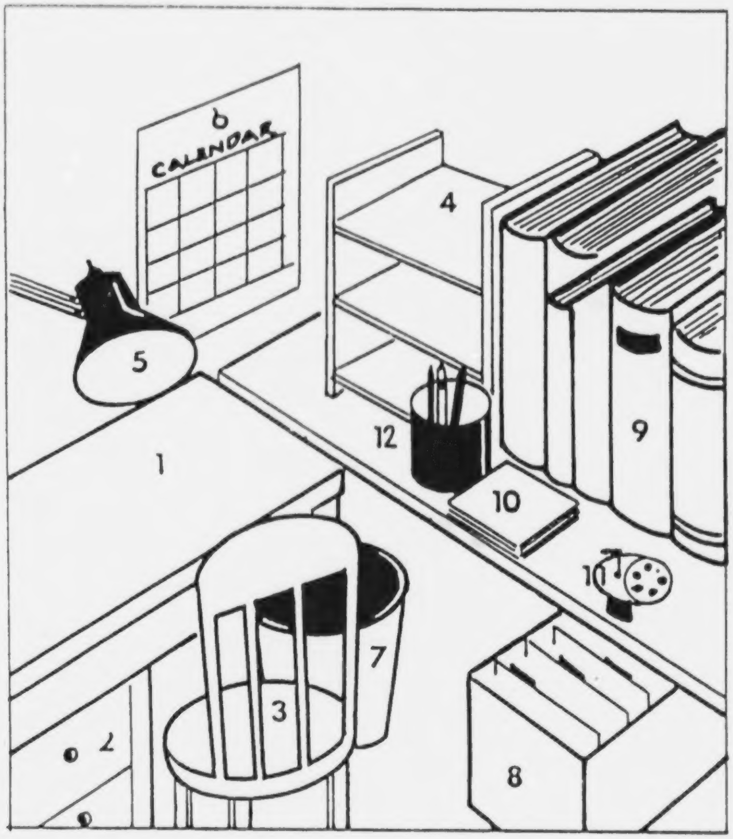
"Well, I've found last October's bank statement," says Mrs. Jones. "I wonder what it was doing there!"

"Is this it?" asks Jimmy.

"Let me see," says Mr. Jones, "No, that's not it, but it is the car insurance policy. It really should be kept in a safe place."

"And here is your Social Security card being used as a bookmark, Ralph," says Mrs. Jones, "I wonder how we ever got things scattered all over the house."

COMPONENTS OF A STUDY CENTER

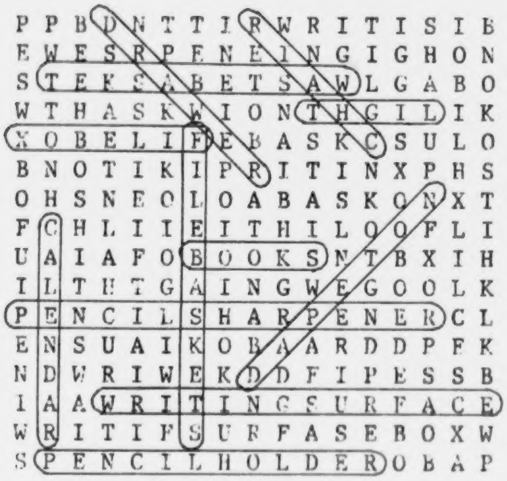


DIRECTIONS:
Items needed for business are shown in the picture above. Find and circle the names of these items in the word search puzzle. Then write the names in the blanks provided, matching the numbers in the picture.

P	P	B	D	N	T	T	I	R	W	R	I	T	I	S	I	B
E	W	E	S	R	P	E	N	E	I	N	G	I	L	H	O	N
S	T	E	K	S	A	B	E	T	S	A	W	L	G	A	B	O
W	T	H	A	S	K	W	I	O	N	T	H	G	I	L	I	K
X	O	B	E	L	I	F	E	B	A	S	K	C	S	U	L	O
B	N	O	T	I	K	I	P	R	I	T	I	N	X	P	H	S
O	H	S	N	E	O	L	O	A	B	A	S	K	O	N	X	T
F	C	H	L	I	I	E	I	T	H	I	L	O	O	F	L	I
U	A	I	A	F	O	B	O	O	K	S	N	T	B	X	I	H
I	L	T	H	T	G	A	I	N	G	W	E	G	O	O	L	K
P	E	N	C	I	L	S	H	A	R	P	E	N	E	R	C	L
E	N	S	U	A	I	K	O	B	A	A	R	D	D	P	E	K
N	D	W	R	I	W	E	K	D	D	F	I	P	E	S	S	B
I	A	A	W	R	I	T	I	N	G	S	U	R	F	A	C	E
W	R	I	T	I	F	S	U	R	F	A	S	E	B	O	X	W
S	P	E	N	C	I	L	H	O	L	D	E	R	O	B	A	P

WORDS
1. _ _ _ _ _ _ _   _ _ _ _ _ _ _
2. _ _ _ _ _ _
3. _ _ _ _ _
4. _ _ _ _   _ _ _ _ _ _ _
5. _ _ _ _ _
6. _ _ _ _ _ _ _ _
7. _ _ _ _ _   _ _ _ _ _
8. _ _ _ _   _ _ _
9. _ _ _ _ _
10. _ _ _ _   _ _ _
11. _ _ _ _ _   _ _ _ _ _ _ _ _
12. _ _ _ _ _   _ _ _ _ _ _

COMPONENTS OF A STUDY CENTER
ANSWER KEY



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P P B D N T T I R W R I T I S I B
E W E S R P E N E I N G I G H O N
S T E K S A B E T S A W L G A B O
W T H A S K W I O N T H G I L I K
X O B E L I F E B A S K C S U L O
B N O T I K I P R I T I N X P H S
O H S N E O L O A B A S K O N X T
F C H L I I E I T H I L O O F L I
U A I A F O B O O K S N T B X I H
I L T H T G A I N G W E G O O L K
P E N C I L S H A R P E N E R C L
E N S U A I K O B A A R D D P F K
N D W R I W E K D D F I P E S S B
I A A W R I T I N G S U R F A C E
W R I T I F S U R F A S E B O X W
S P E N C I L H O L D E R O B A P
```

WORDS

1. writing surface
2. drawer
3. chair
4. file baskets
5. light
6. calendar
7. waste basket
8. file box
9. books
10. note pad
11. pencil sharpener
12. pencil holder

]

HOME BUSINESS CENTER

Maintaining family records is important for good planning. If records are lost or cannot be found when needed, planning becomes very difficult. So begin today to devise a plan for keeping your family's records.

A handy place to keep the records is essential. A desk or table and a straight chair may be used. The desk may be a regular desk, a piece of furniture made into a desk, a table, or an old door on building tiles. One may decide to keep records in a box provided for this purpose. This center should be known in the family as the business center.

Try to place the business center where there is good light for working both day and night. It should include a place for pencils, pen and ink, paper clips, rubber bands, address book, or other small equipment. The business center should provide a place to file the family's spending plan, expense record, receipts, canceled checks, income tax records, etc.

Having a handy place to plan, to keep records, to write letters, and to keep important papers saves time and worry. A family business center helps individuals and family members have a happier life.

SOME IDEAS FOR THE BUSINESS CENTER

1) Homemade file. Use a heavy cardboard box. One may want to cover it with paper or cloth. Make dividers by cutting extra cardboard to the size you need. Cover the dividers to match the box.

2) Letter holder. It's easy to remember to pay bills when they are put in a letter holder. One might use the heavy cardboard box that cheese comes in and cover it with paper or cloth.

3) Receipt file. A recipe file or small box makes a handy place to file receipts so that there is proof of bills paid. Receipts are also needed for tax records if deductions are itemized.

4) Reminder pad. Pads made from blank newsprint paper can be purchased inexpensively. These are great for figuring and for reminders.

5) Small containers. Use small boxes, margarine containers, small cans, or baby food jars for rubber bands, paper clips, etc. Label them plainly.

6) Valuable papers file. Valuable papers may be kept in inexpensive, heavy envelopes in a box or old notebook tied with string to keep them secure. Be sure to label each envelope and the box or notebook with the contents.

7) Wastebasket. A wastebasket can be made from a box, ice cream carton, old pail, or hat box. Cover or paint as desired.

RECORD KEEPING METHODS
(Handout)

A GOOD METHOD OF KEEPING RECORDS SHOULD...

1) TAKE LESS THAN 5 MINUTES A DAY AND A LITTLE LONGER ONCE A MONTH.

2) SHOW INCOME AND EXPENSES.

3) SHOW HOW SPENDING IS DIVIDED AMONG THE DIFFERENT ITEMS SUCH AS FOOD, HOUSING, AND CLOTHING.

4) SHOW HOW MUCH DIFFERENT FAMILY MEMBERS ARE SPENDING.

5) SHOW THE DATE WHEN IMPORTANT ITEMS WERE BOUGHT.

6) SHOW TOTAL AMOUNT SPENT FOR EACH DIFFERENT ITEM SUCH AS FOOD, HOUSING, AND CLOTHING.

7) SUBTRACT TOTAL AMOUNT SPENT FROM INCOME THAT MONTH.

RECORD KEEPING METHODS

The checkbook method

Many families find a joint checking account works better than assigning specific sums to one family member or putting them in envelops. They pay bills and draw cash as needed to meet their requirements within agreed-upon limits. They can see where they stand by frequently reviewing the checks written during a given period and changes in bank balances and bills owed. Such a summary made, say, once a week can give a good overall picture, although it may fail to show where cash went. This gap may be filled in by keeping receipts for cash purchases and totaling them.

The envelope system

Some people who shy away from figures find the envelop method the simplest way to live within their plan. The envelope method may be used if the income is small. The money for paying bills is divided and placed in different envelopes labeled with the purpose for which the money is to be spent.

A slip of paper should be kept in each envelope. If money is put in or taken out, the date, the reasons, and amount are written on the slip of paper. At the end of the month the envelope slips can be totaled. These slips are the record to see if your spending has stayed within the spending plan. Any money left over can be put in the envelopes for the next month's bills, or put in a savings account, bank account, reserve envelope, or other safe place.

There are obvious disadvantages to the envelope system. There is the danger of theft or mislaying of cash left lying about the home. There is also the inconvenience of not having the right envelope when a purchase is made. If the money in one envelope gives out before the end of the period, the family must decide whether to (1) go without any further purchases until the next pay check; (2) "borrow" from one of the other envelopes, which means cutting planned expenses in the envelope "borrowed" from: (3) dip into the "emergency" or "big need" reserves or draw on savings, if any; (4) borrow; or (5) buy now on credit and pay later.

Savings account plus checkbook

Some families use a savings account for reserves and set-asides for such things as taxes and other expected large expenses of the year, and a checking account for their monthly and weekly needs. A second savings account for permanent savings or for the accumulation until specified large wishes can be met helps keep funds straight and allows temporarily unused funds to earn interest.

Envelope system plus checking account or savings account

To avoid the problems of having too much cash at home, some families use a combination of methods. They may keep money for monthly expenses such as rent, utilities, and installment payments in a checking account and add a certain amount each week. Reserve funds may go in a savings account. Money for weekly expenses such as food, clothing, and household and personal expenses may be kept in envelopes at home.

The calendar method

Each payday is circled on a twelve month calandar. The expected income and expenditures for each pay period are recorded. All required bills and due dates must be considered. Fixed expenses are listed first, then flexible and emergency costs that may occur. From this, a spending plan chart can be developed. With this method an individual can plan to use cash, credit, or checking accounts for payments. Or, a combination of the first three methods could be used for payments.

INDIVIDUAL OR FAMILY INCOME AND EXPENSES FOR THE MONTH OF __________, 19__

DATE	INCOME	FOOD	CLOTHING & LAUNDRY	HOUSING (rent)	HOUSEHOLD EXPENSES	UTILITIES (water, gas, etc.)	TRANSPORTATION	PERSONAL	INSURANCE	MEDICAL	EDUCATION	RECREATION	CONTRIBUTIONS & GIFTS	INSTALLMENT PAYMENTS	SAVINGS
1.															
2.															
3.															
4.															
5.															
6.															
7.															
8.															
9.															
10.															
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24.															
25.															
26.															
27.															
28.															
29.															
30.															
31.															
AMOUNT SPENT															
AMOUNT PLANNED															

THE MCDONALD'S INCOME AND EXPENSES

You will be keeping records for the McDonald family for the month of March. Enter the month and year at the top of their record sheet. The McDonald family consists of Mr. and Mrs. McDonald, and their two children, Charles and Cathy.

Mrs. McDonald's take-home pay is $208 a week. Her boss told her she would make $250 a week, but after income taxes, social security, and other deductions, Mrs. McDonald gets $208. She is paid each Tuesday. Mr. McDonald earns $192 a week, and Charles and Cathy contribute another $20 a week from their part-time jobs.

The family goals for the month of March include paying off a coat for Charles with $40 left on their installment plan, saving $60 toward purchase of a washing machine, and staying within the family budget.

The McDonalds use the envelope system to divide their income into the amounts planned for different purposes. They have already allowed for the following amounts for each purpose. The amount for each purpose is shown at the bottom of the record sheet beside the words "amount planned". This is the amount the family plans to spend for each purpose this month. (F) stands for "fixed expenses." Other expenses are flexible.

$400	Food
80	Clothing/Laundry/Dry Cleaning
400	Monthly Rent (F)
100	Utilities (F)
120	Transportation (gas and oil)
35	Household Supplies
55	Personal Supplies
60	Medical and Dental Care
50	Contributions and Gifts
40	Installment Payments (F)
60	Savings (F)
80	Recreation
125	Insurance
$1,665.00	Total Planned Expenses

On each envelope is entered the amount that must be placed in that envelope each week. These figures were found by dividing the monthly amount by four (the number of weeks in the month).

$100.	Food	$15.	Education
20.	Clothing/Laundry/ Dry Cleaning	12.50	Contributions and Gifts
100.	Rent	10.	Installment Payments
25.	Utilities	15.	Savings
30.	Transportation	31.25	Insurance
15.	Medical and Dental	8.75	Household Supplies
20.	Recreation	13.75	Personal

Mr. McDonald received his paycheck of $192 on Tuesday March 3. Mrs. McDonald's boss, Mr. Brown, pays her $208 the same day.

Divide Mr. McDonald's paycheck and Mrs. McDonald's paycheck in between these envelopes (as labeled for the categories below). Together they have $400. Enter this amount on your record sheet.

$83.25	Food
20.00	Clothing/Laundry/Dry Cleaning
100.00	Rent
25.00	Utilities
30.00	Transportation
8.75	Household Supplies
13.75	Personal
15.00	Education
12.50	Contributions and Gifts
10.00	Installment Payments
20.00	Recreation
15.00	Savings
15.00	Medical and Dental Care
31.25	Insurance
$400.00	Total Alloted

Food needs $16.25 added. The other members of the family will put their pay in this envelope. On March 6, Charles received his pay for his paper route. He gives $8.00 of his pay to pay for family expenses. Put this amount under income on the record sheet. Put this amount in the food envelope.

Cathy is paid Saturday for the odd jobs she has done for Mr. Smith at the neighborhood grocery. She contributes $8.25 of it toward family expenses. Record her pay under income on the record sheet and put it in the food envelope.

Saturday afternoon, the McDonalds filled their car with gas. It cost $20.00. Enter this amount on the record sheet and take the money out of the transportation envelope. Next the McDonalds went to the grocery store. They spent $90.00 on groceries (from food envelope). Cathy needed a new notebook and pencil, and Charles needed graph paper. This cost $8.50 from education. Mother bought soap for $2.00. Soap is a household supply. The family also bought toothpaste for $3.50. This is a personal expense. Mother found a blouse on sale for $12.00. Put this under clothing. On Sunday, the family went to church. They gave $10.00 to the church.

Let's see what happens in just one envelope as the month goes on. Father is paid again on March 10. His paycheck is divided this week as it was last week. Let's see what is happening in the rent envelope.

Last week, $100.00 was put in the envelope. The rent is due at the end of the month, so none of it was spent. This week $100.00 was added to the rent envelope. Now there is $200.00 in the envelope. If the

McDonalds add $100.00 to the rent envelope the next two weeks, how much money will they have after the rent is paid?

The McDonald's expenses for the month have been recorded. Add up each column to see how much was spent for each purpose. Was the spending plan adhered to? Was there enough money to pay the utilities at the end of the month? Did the McDonalds meet the family goals? Did the family make the last payment on Charles' coat? Did the family add $60.00 to savings for their washing machine? On the whole, did the McDonalds have a good plan? (Yes.) Was it flexible? (Yes.)

PERSONAL SPENDING PATTERNS

SELF

1.
2.
3.
4.
5.
6.

FAMILY

1.
2.
3.
4.
5.
6.

SOCIETY

1.
2.
3.
4.
5.
6.

MATH

EXERCISE A.
INCOME CHANGES

Sylvia and Jose make a combined income of $28,000.00 per year. Sylvia expects a 7% raise in her $12,500.00 per year salary within the next year. Jose expects a 3% cut in his $15,500.00 per year salary due to the poor profit margin of the oil company he is employed by. Knowing this, do the following problems:

a. What is Jose's projected income for the next year?

____

b. What is Sylvia's projected income for next year?

____

c. What is their combined projected income for the next year?

____

Was there an increase or decrease in their total combined income?

==

EXERCISE B.
SPENDING PLAN CHANGES

YEARLY EXPENSES	CURRENT YEAR	NEXT YEAR
Food 17%	EX. 28,000 x .17 = ______	
Housing 28%		
Clothing 8%		
Debt Payments 20%		
Transportation 12%		
Recreation 7%		
Insurance/Medical 8%		

a. Fill in the chart figuring yearly amounts spent with current and projected income.

b. Divide each expense category into the amount to be spent each month. (÷ 12) Show your work below.

c. Is there a drastic change in the amounts spent due to the change in income? ____

MATH
(TA-35)
ANSWER KEY

Exercise A

a. $15,000.00 - $465.00 = $15,035.00
b. $12,500.00 + $875.00 = $13,375.00
c. $15,035.00 + $13,375.00 = $28,410.00
*There was an increase in their combined income.

Exercise B

a.	Food	$4,760.00	$4,829.70
	Housing	7,840.00	7,954.80
	Clothing	2,240.00	2.272.80
	Debts	5,600.00	5,682.00
	Transportation	3,360.00	3,409.20
	Recreation	1,960.00	1,988.70
	Insurance/Med.	2,240.00	2,272.80

b. Monthly Expenses Paid:

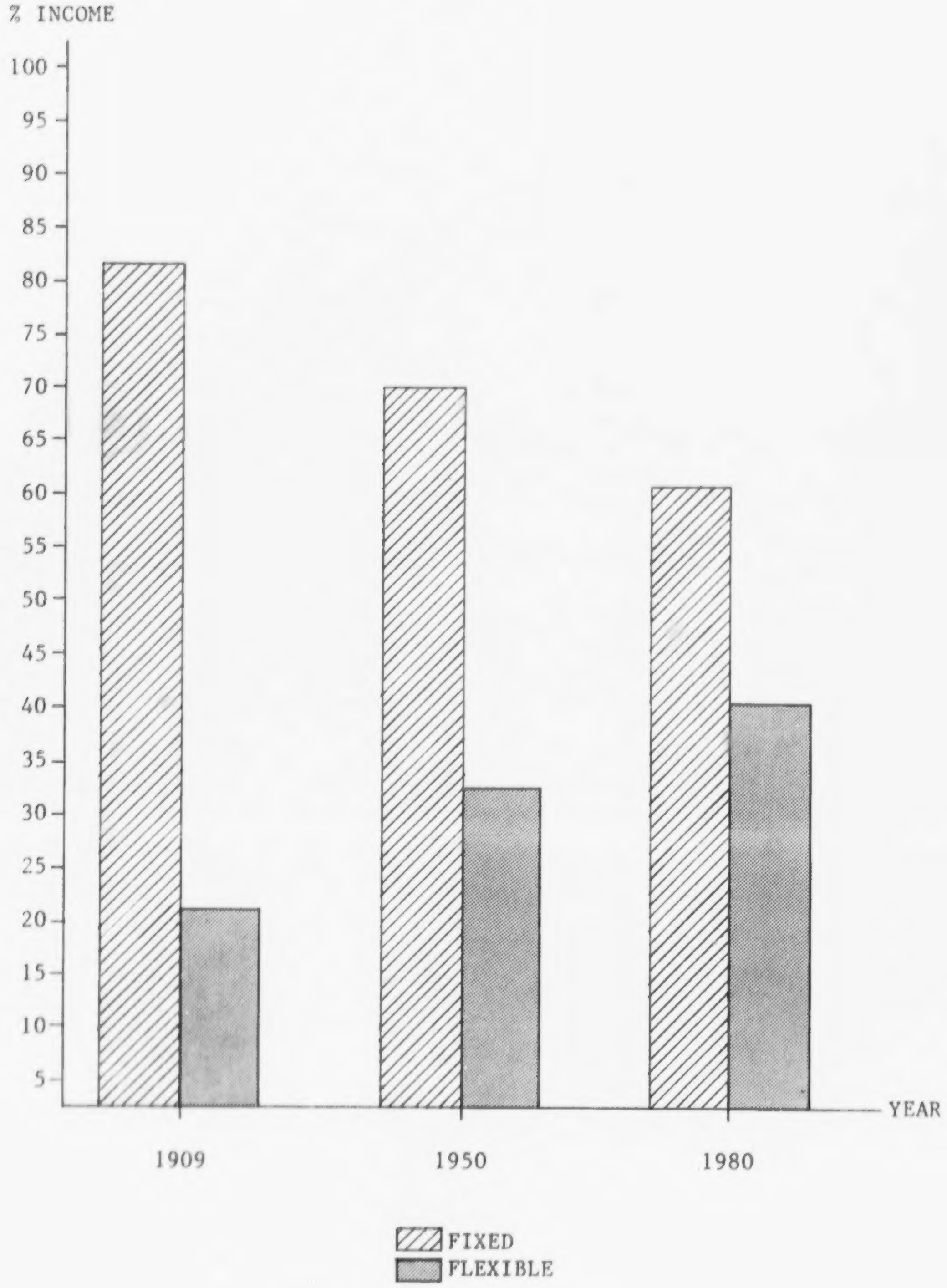
$396.00	$402.48
653.33	662.90
186.66	189.40
466.66	473.50
280.00	284.10
163.33	165.73
186.66	189.40

c. Answer: NO

UNEMPLOYMENT MATCHING
(TA-38)

1. b
2. h
3. g
4. e
5. f
6. c
7. l
8. d
9. j
10. i
11. k
12. a

CHANGES IN COST-OF-LIVING
BY PERCENTAGE OF
FIXED AND FLEXIBLE EXPENSES



TERMINOLOGY FOR DISCUSSING UNEMPLOYMENT

DIRECTIONS: Match the definitions to the appropriate term. Place the letter of the definiton in the blank to the left of the term.

TERMS	DEFINITIONS
_____1. Fiscal policy	a. Unemployment which is caused by people searching for better or new jobs.
_____2. Measure of Value	b. How taxation and spending are used to effect the economy.
_____3. Demand Deposits	c. A build-up of goods.
_____4. Cyclical Unemployment	d. How money has a worth of its own: this makes it possible to keep it and use it later.
_____5. Medium of Exchange	e. A downturn in the economy causes this type of unemployment.
_____6. Inventory	f. Money's use in purchasing services or goods.
_____7. Seasonal Unemployment	g. Checking account funds.
_____8. Store of Value	h. How individuals can compare the worths of goods using money as a basis.
_____9. Monetary Policy	i. Economy shifts lead to this type of unemployment.
_____10. Structured Unemployment	j. The amount of money in circulation is either increased or decreased.
_____11. Standard for Debts	k. Money's use as payment to creditors.
_____12. Frictional Unemployment	l. Type of unemployment due to work done only at certain times of the year.

BASIC ECONOMIC CONCEPTS

SCARCITY	A condition of limited resources that results from the imbalance between unlimited wants and the limited resources available to satisfy those wants.
NEEDS	The things that are essential for human existence, such as water, food, and air.
WANTS	The things that are wanted but not essential for existence.
FACTORS OF PRODUCTION	Refers to what is required to produce the goods and services that people want.
1) Land/natural resources	Natural resources such as land, timber, fish, oil and mineral rights, fertility of the soil, climatic conditions suitable for growing crops, used to produce goods and services.
2) Labor/human resources	The health, strength, education, training, skills, abilities, motivation, and the number of people and the hours they work.
a. Entrepreneurship	The ability of the person to take the risks associated with starting a new business or introducing a new product or service to the market in hopes of making a profit.
3) Capital goods	Buildings, equipment, machinery, ports, roads, dams, and other manufactured and constructed things needed to produce goods and supply services.
OPPORTUNITY COST	The choices or alternatives given up by the person when a decision is made.
TRADE-OFFS	Giving up one thing for something else when a choice is made.
PRODUCTIVITY	The amount of output (goods and services) produced per unit of input (productive resources) used. Productivity can be increased by investment in capital goods, investment in human capital, specialization, and the division of labor.
1) Investment in capital goods	Occurs when savings are used to increase the economy's productive capacity by financing the construction of new factories, machines, means of communication, etc.

2) Investment in human capital	The population's health, education, and training are increased through the efforts of individuals, businesses, or governments.
3) Specialization	Occurs when an individual, region, business, city, or country produces a narrower range of goods and services then it consumes.
4) Division of labor	The process whereby workers perform on a single or a very few steps of a major production task.
ECONOMIC SYSTEMS	Collection of laws, activities, institutions, values, and human motivations that provide a framework for economic decisions about resource allocations.
1) Tradition	Decisions are repeated that were made at an earlier time or by an earlier generation.
2) Command	Decisions are made largely by a central authority such as a government planning agency or a feudal lord.
3) Market-prices	Individuals and businesses participate in through decisions reflected in the supply and demand for various goods and services.

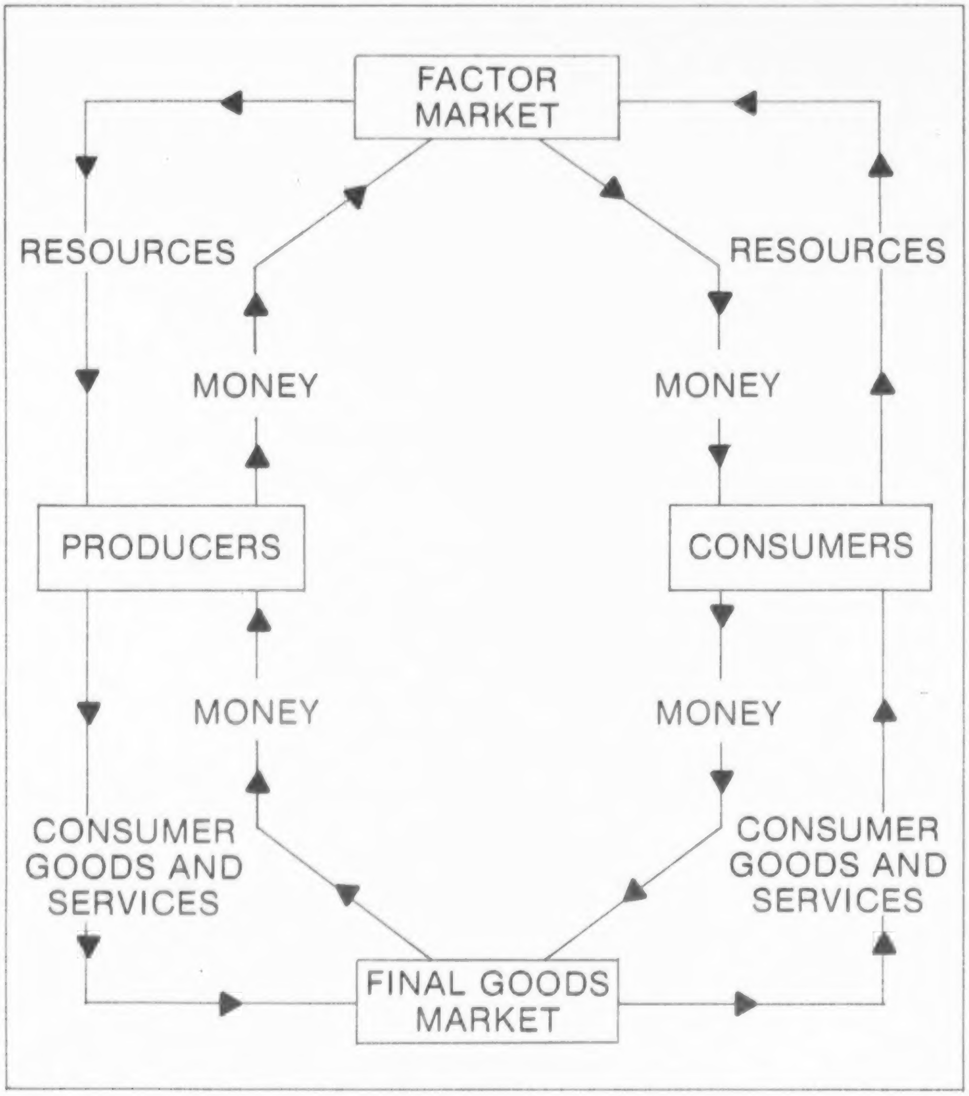
POLITICAL ECONOMIC SYSTEMS

Capitalism	Socialism	Communism
Private ownership of resources, production, income, and consumption.	Public ownership of production. Private ownership of income, resources, and consumption.	Public ownership of resources, production, income, and consumption.
"Free enterprise" system; competetion for profit.	Governmentally controlled enterprise system.	Governmentally controlled enterprise system.
Freedom to make individual choices of work.	Freedom to make individual choices of work.	State assigns work to individuals.
Production controlled by consumer demand.	Production controlled by consumer demand.	Production controlled by government.
Economic and political decisions made through voting rights of individuals.	Some economic and political decisions made through limited voting rights of individuals.	Economic and political decisions fully controlled by party dictatorship.

COMPARISON OF ECONOMIC SYSTEMS

	CAPITALISM	SOCIALISM	COMMUNISM
Country where found and degree of use			
Role of government			
Influence of markets			
How planning is carried out			
Others			

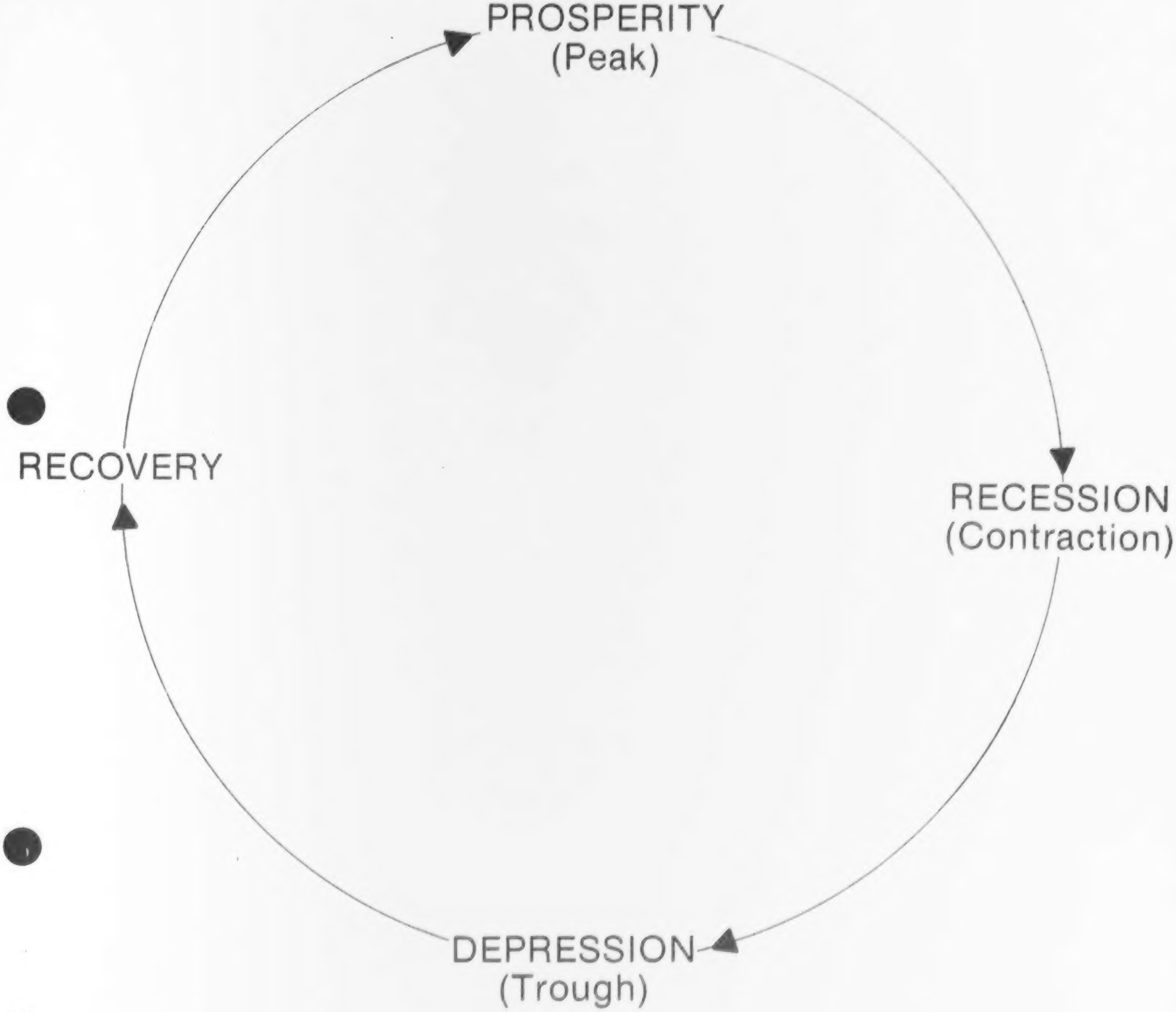
MARKET ECONOMY



COMPETITION CAN BE. . .

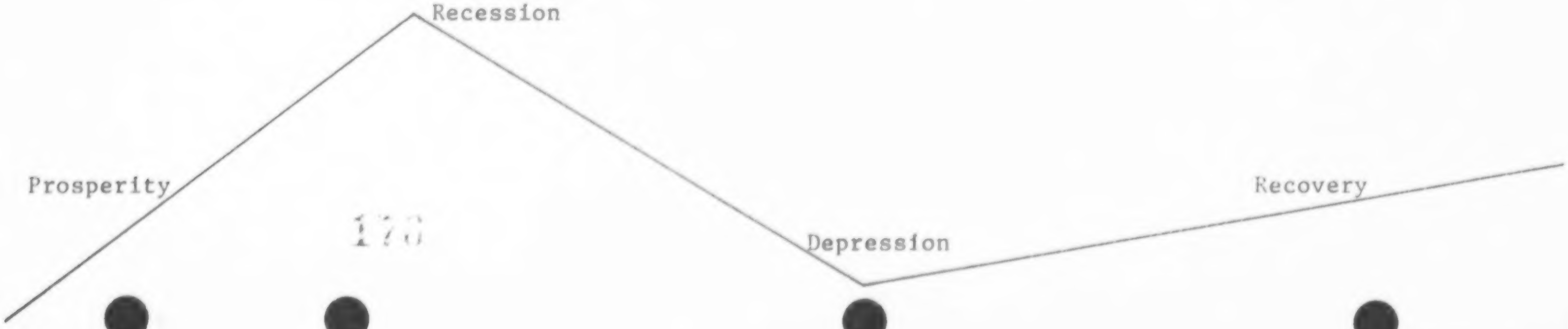
Form	Definition	Example
Pure or free competition	Exists when there are several buyers and sellers of a homogeneous product giving ample consumer information about the product and having free entry and exit from the market	Hamburger producers
Alternative or price competition	Alternative choices of similar services or goods offered at lower prices; tends to force prices down, while allowing for a reasonable profit for the company	Airlines competition with one another and with other types of transportation
Nonprice competition	Competition not based directly on price	Coupon offers, sweepstakes
Imperfect competition	Middle ground between pure competition and a monopoly	
(a) Oligopoly	A few firms or companies produce most or all of a given product or service and control the market	Auto makers, oil companies
(b) Monosolistic competition	There are a few sellers, but each sells primarily to a specific group of buyers	Toothpaste, detergents, cereal products
Public monopoly	A single producer that controls a market through a right granted by a government to ensure that essential service are provided	Local utility company (electric and gas company, cable television firm)
Monopoly	One firm provides a service or product and controls the market (seldom found today)	Production of diamonds

BUSINESS CYCLE IN THE ECONOMY



PHASES OF BUSINESS CYCLE

Prosperity	Recession	Depression	Recovery
Increased wages	Decreased work hours	Decreased wages	Increased wages
High employment rate	Decreased number of jobs	High unemployment	Increased employment
Increased demand	Supply outweighs demand	Decreased operating costs	Increased demand
Increased interest rates	Businesses' money goes to loan payments	Decreased interest rates	Decreased interest rates
Increased number of loans	Decreased number of loans	Decreased borrowing	Increased loans
Increased profits	Decreased profits	Decreased spending	Increased cost
Supply increases	Businesses stop investing	More businesses fail	Increased supply
Increased inflation	Decreased number of businesses	Decreased profits	Debts paid-off
Optimistic attitude	Pessimistic attitude		



CASE STUDIES

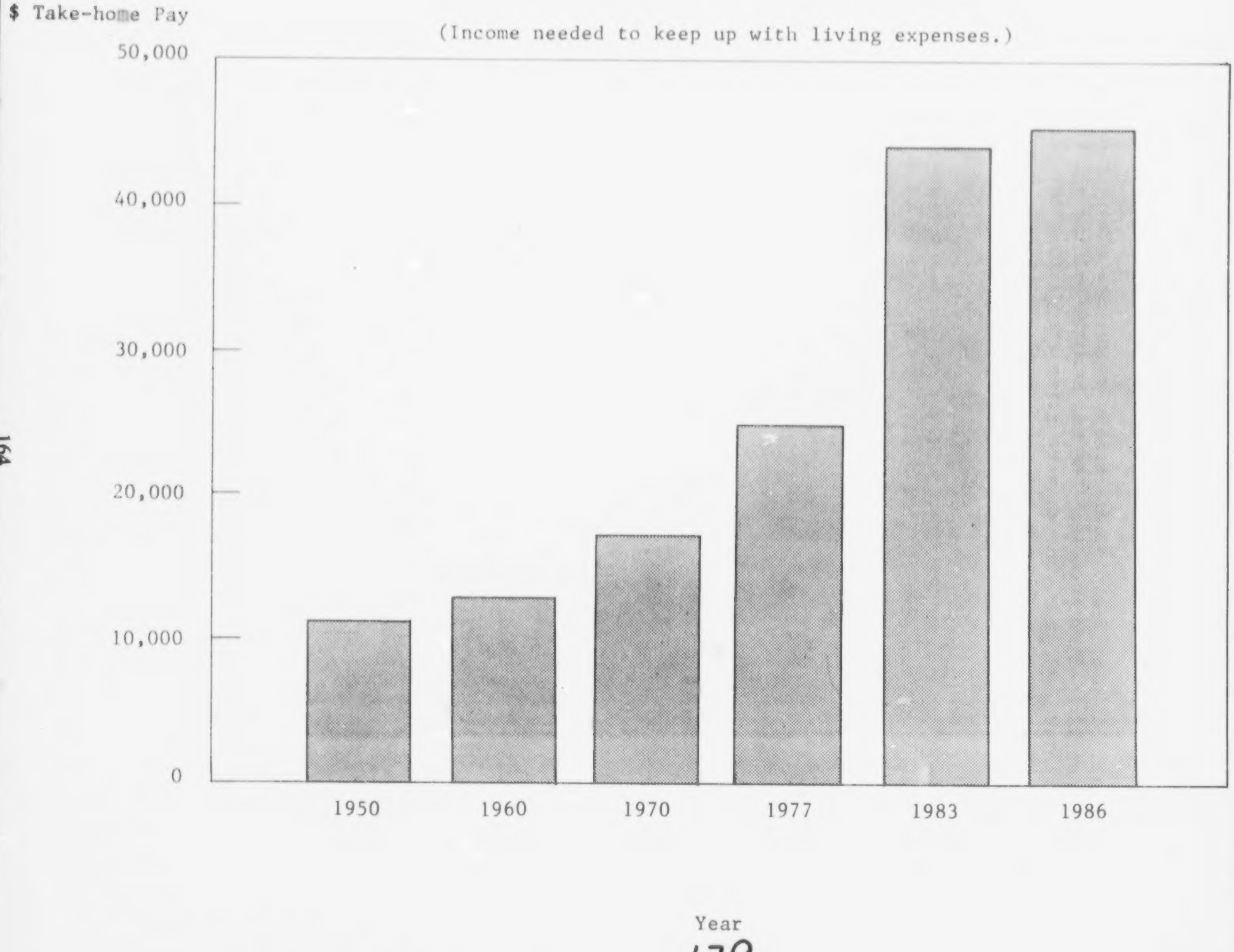
I. After three years of high profits and very high levels of demand for their woodworking and construction services, Steve and Mike were disappointed in the sudden sales drop. In the past years, they have given three scholarships to outstanding high school graduates in their community. This year, however, their monies will go toward paying off loans. Ordinarily five high school students were hired to help in the summer, but there are only three workers needed now.

II. Nancy is a self-employed business woman. She owns a handmade designer line of merchandise. She had trouble selling all the merchandise last year, but current sales are picking up. She is now able to pay back some loans from the small business bureau. She has hired two seamstresses to prepare the merchandise for Christmas.

III. Josi and Miranda recently graduated from college with degrees in Public Relations and Advertising. They had hopes of starting their own advertising firm. However, the failure rate of ad agencies in their community is 65%. They have an opportunity to buy out one owner. A loan would have very low interest at time. Profit level for the agency has decreased as well as the prices charged. This might also provide new jobs, even though pay would be minimal.

IV. George and Sylvia have two children, ages six and four. The oldest is Danielle, and the youngest child is Franklin. George and Sylvia both work. In the past six months, they have both received raises. The advertising firm Sylvia works for has hired three more employees to meet their increased output need. The company's profit intake has drastically increased.

Buying Power of Take-Home Pay Indexed by the Inflation Rate Through the Years


(Income needed to keep up with living expenses.)

GOVERNMENTAL INFLUENCES

on

AMERICAN ECONOMY

Taxes and tax reforms

Federal subsidies

Price controls

Regulation of interest rates

Control of working conditions, hours, wages

Regulation of natural resources

Consumer legislation

Social Security

THREE "R's" OF GOVERNMENT ECONOMICS

There are 3 terms relating to taxation in this puzzle. Each term begins with an "r." You may find the words backwards and forwards, horizontally, vertically, diagonally, or by using a combination of all of the above. You cannot use any letter in more than one word.

R	R	E	M	A	N	S	B	O	R	G	R	S
E	P	G	U	L	A	T	I	E	R	A	M	S
D	I	S	T	R	I	Z	O	Q	U	W	B	I
N	E	V	E	R	B	U	N	N	M	R	C	E
U	E	A	L	N	O	I	T	P	A	B	Y	E

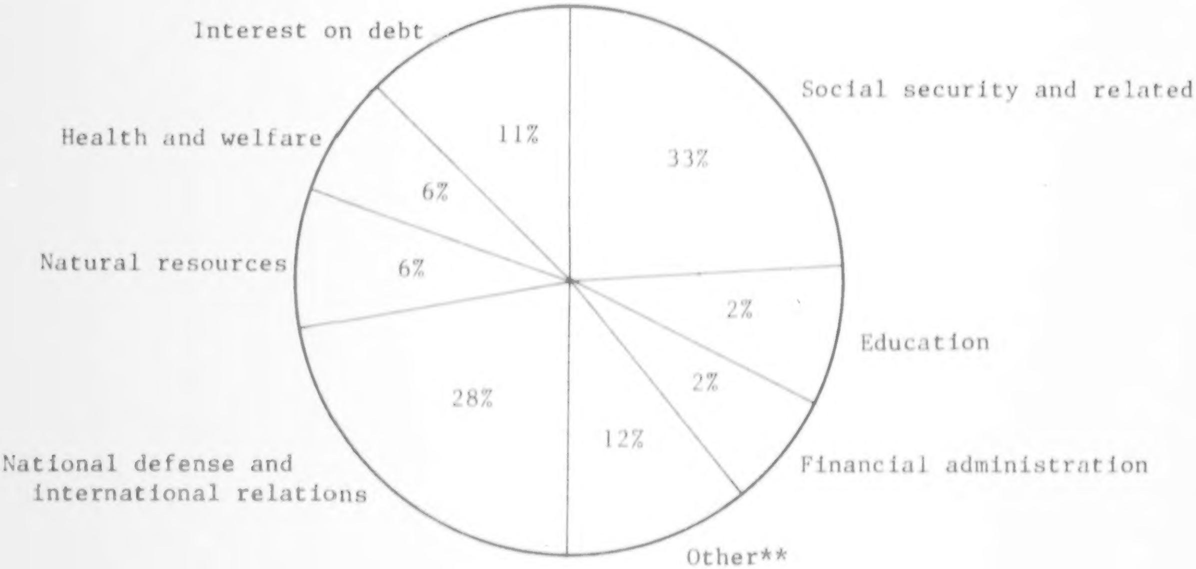
1. ______________________ received from taxes; is used to provide public services.

2. ______________________ of economic activity through laws and taxation; is necessary to preserve our economy and way of life.

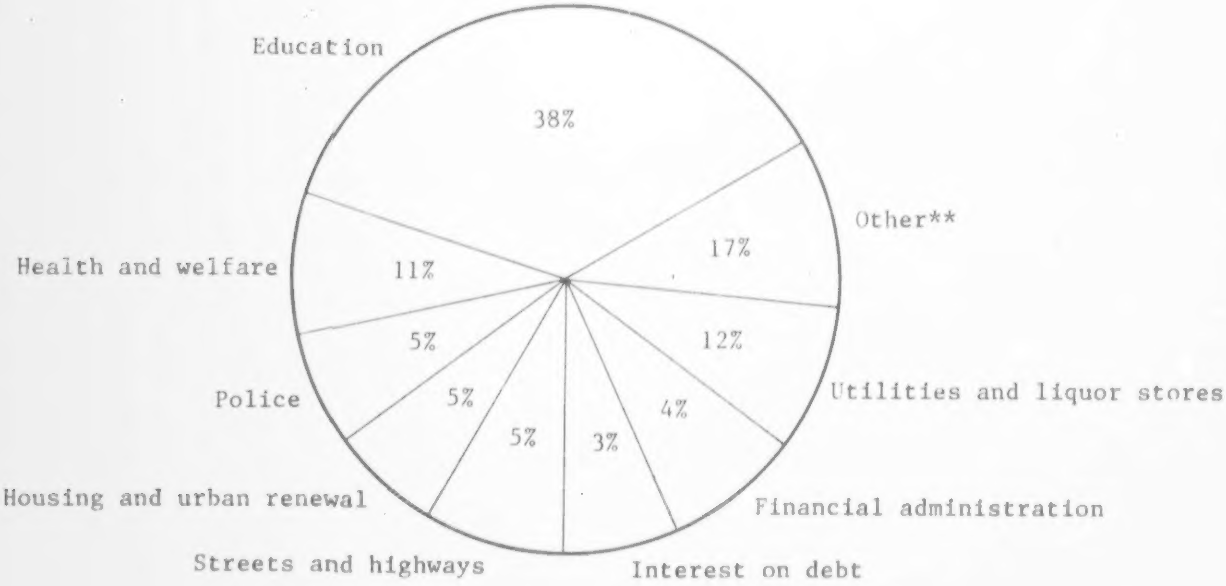
3. ______________________ of income through transfer payments; is necessary to give all citizens a fair share of the total economic pie.

HOW TAX REVENUES ARE SPENT

FEDERAL TAXES*



LOCAL TAXES*



* Approximations only, not to scale. Figures adapted from Facts and Figures on Government Finance, Tax Foundation, Inc., 1981.

** "Other" includes postal services, space research, jails and correction facilities, sewers, libraries, fire protection, parking facilities, local parks, and state and local buildings.

PRE-TEST ON ABBREVIATIONS FOR FEDERAL AGENCIES

Below is a list of abbreviaitons commonly used when describing federal agencies related to consumer protection. Next to each abbreviation, write the correct name of the agency.

1. FAA
2. FCC
3. FRB
4. FTC
5. ICC
6. VA
7. USDA
8. FDA
9. FDIC
10. IRS
11. FHA
12. OSHA

GOVERNMENT SERVICES

PUBLIC	MERIT
Fire department	Health department, hospitals
Police protection	Sanitation
Postal service	Schools, state universities
Military services	Research
Coast guard	Mass transit
Legal records, titles	Water, gas, electric services
Court services	Highway, bridge, sidewalk, road, and waterway maintenance
Welfare	Parks
Unemployment, pensions	Civic facilities (museums, libraries)
Food stamps	Airports
	Consumer information services
	Recreational facilities

MAJOR CONSUMER LEGISLATION

1887	The Interstate Commerce Act
1890	Sherman Antitrust Act
1906	Pure Food and Drug Act Meat Inspection Act
1914	Federal Trade Commission established Clayton Act
1934	Federal Communications Commission established Securities and Exchange Commission established
1938	Federal Food, Drug and Cosmetics Act Wheeler-Lea Amendment to the FTC Act Civil Aeronautics Board established
1939	Wool Products Labeling Act
1951	Fur Products Labeling Act
1953	Flammable Fabrics Act
1958	Food Additives Amendment Color Additives Amendment
1960	Federal Hazardous Substances Labeling Act Textile Fiber Products Identification Act
1962	Kefauver-Harris Drug Amendments
1966	Cigarette Labeling Act Child Safety Act Fair Packaging and Labeling Act Motor Vehicle Safety Act
1967	Wholesome Meat Act Flammable Fabrics Act

1968	Natural Gas Pipeline Safety Act
	Truth-In-Lending Act
	Wholesome Poultry Products Act
	Land Sales Disclosure Act
	Radiation Safety Act
1969	Child Protection and Toy Safety Act
	Public Health Smoking Cigarette Act
1970	Credit Card Liability Act
	Poison Prevention Packaging Act
1971	Fair Credit Reporting Act
	Clean Air Act Amendments
1972	Consumer Product Safety Commission established
	Drug Listing Act
	Motor Vehicle Information and Costs Savings Act
1973	Health Maintenance Organization Act
	Toxic Substances Control Act
	Agriculture and Consumer Protection Act
	Door-To-Door Selling Law
1974	Fair Credit Billing Act
1975	Magnuson-Moss Warranty/Federal Trade Commission
	Equal Credit Opportunity Act
1976	Federal Consumer Leasing Act
	Saccharin Study and Labeling Act
1977	Fair Debt Collection Practices Act
1978	Financial Institutions Regulatory and Interest Rate Control Act
	National Consumer Cooperative Bank Act
	Public Utility Regulatory Policies Act
	Consumer Education Act
1979	Trade Agreements Act
	Export Administration Act

1980	Consumer Checking Account Equity Act
	Dispute Resolutions Act
	Federal Trade Commission Improvements Act
	Infant Formula Act
1981	Consumer-Patient Radiation Health and Safety Act
	Head Start Act
1982	Piracy and Counterfeiting Amendments Act
1983	Dairy and Tobacco Adjustment Act
	Federal Anti-Tampering Act
	Mail Order Consumer Protection Amendment Act
1984	Small Business and Federal Procurement Competition Enhancement Act
	Trade and Tariff Act
	Motor Vehicle Theft Law Enforcement Act
1985	Energy Policy and Conservation Amendments Act
	Health Research Extension Act
	Fair Labor Standards Amendment
1986	Food Security Improvements Act
	Comprehensive Smokeless Tobacco Health Education Act

MAJOR FEDERAL CONSUMER LEGISLATION

1887	Interstate Commerce Act	Established Interstate Commerce Commission and regulation of railroads.
1890	Sherman Antitrust Act	Established regulations that prohibit illegal business combinations, such as price fixing and monopolies.
1906	Pure Food and Drug Act	Provided limited supervision by the goverment of the interstate sales of food and drugs. The law did not cover labeling, advertising, cosmetics, or drug safety.
	Meat Inspection Act	Established federal inspection of meat sold in interstate commerce.
1914	Federal Trade Commission	Established federal inspection of meat sold in interstate commerce.
	Clayton Act	Attempted to guard against such monopolistic practices as price fixing; and to close loopholes for adequate enforcement.
1934	Federal Communications Commission	Regulates interstate lines; phone subscribers are no longer required to use only the instruments manufactured by the company and are permitted to own, rather than rent the equipment.
	Securities and Exchange Commission	Established to regulate trading in stocks and bonds.
1938	Federal Food, Drug and Cosmetic Act	Required pretesting of the safety of drugs before marketing. Chemical food additives had to be proved dangerous before removing from the marketplace. Did not require cosmetics to be pretested.
	Wheeler-Lea Amendment to the FTC Act	Gave the FTC authority to protect consumers from unfair and deceptive practices, including advertising.
	Civil Aeronautics Board	Established to promote and regulate civil air transport industry.

1939	Wool Products Labeling Act	Made fiber content labeling by percentages mandatory in products containing wool.
1951	Fur Products Labeling Act	Established mandatory labeling requirements for fur products.
1953	Flammable Fabrics Act	Required wearing apparel shipped by interstate commerce to conform to flammability standards. However, the standards were weak.
1958	Food Additives Amendment	Required manufacturers to establish safety of a food additive.
	Color Additives Amendment	The Delaney Clause of the law initiated a rigid screening process to evaluate the safety of new food additives before marketing. Also prohibits the use of any additive that has been linked to cancer in people or animals under any circumstances.
1960	Federal Hazardous Substances Labeling Act	Required warning labels on highly toxic household chemicals and instruction labels for safe use and storage.
	Textile Fiber Products Identification Act	Required identification of the fiber content of clothing and textile fiber products.
1962	Kefauver-Harris Drug Amendments	Required drugs to be proven effective as well as safe before marketing. Determinations were made on the basis of evidence provided by manufacturers. Generic names must be printed on the label. All manufactured drugs must be registered with the FDA.
1966	Cigarette Labeling Act	Required packages to carry warning labels.
	Child Safety Act	An amendment to the Hazardous Substances Labeling Act of 1960. Banned from interstate commerce any chemical so dangerous that no warning can make its use safe. Included a ban on children's toys containing hazardous chemicals.
	Fair Packaging and Labeling Act	Required packaged products to be labeled with net weight, ingredients listed in order of decreasing prominence, and the manufacturer's name and place of business.

1966 Motor Vehicle Safety Act
Set standards for making cars safer.

1967 Wholesome Meat Act
Required states to inspect meat products sold within the state; did not include poultry.

Flammable Fabrics Act
Amendment that strengthened the 1953 act to some degree. Children's sleepwear in sizes 0 - 6x were now covered by adequate standards.

1968 Natural Gas Pipeline Safety Act
Set regulations for safe pipeline transportation of flammable, toxic, or corrosive gases.

Truth-In-Lending Act
Required lenders to disclose the full cost of finance charges in both dollars and annual percentage rates, on installment loans and sales.

Wholesome Poultry Products Act
Extended the Wholesome Meat Act of 1967 to poultry inspection.

Land Sales Disclosure Act
Provided safeguards against certain unscrupulous practice in interstate land sales.

Radiation Safety Act
Provided standards and recall of faulty electronic products.

1969 Child Protection and Toy Safety Act
Prohibited interstate commerce of toys with mechanical, electrical, or thermal hazards.

Public Health Smoking Cigarette Act
Extended warnings concerning the hazards of smoking.

1970 Credit Card Liability Act
Limited liability to $50 per card should it be lost or stolen; prohibited the issuance of unsolicited credit cards.

Poison Prevention Packaging Act
Gave authorization to establish standards for child-resistant packages of hazardous substances.

1971 Fair Credit Reporting Act
Required credit bureaus to disclose a synopsis of credit reports to consumers, correct inaccurate information, and notify the consumer if an investigative report is being made.

1971 Clean Air Act Amendments

Provided for the establishment of air quality standards.

1972 Consumer Product Safety Act

Established Consumer Product Safety Commission to set safety standards for a broad range of consumer products and to levy penalties for failure to meet the standards.

Drug Listing Act

Required manufacturers to provide FDA with a list of drugs they produce along with a list of their active ingredients.

Motor Vehicle Information and Cost Savings Act

Required cars manufactured after 1973 to have bumpers able to withstand 5 m.p.h. crashes.

1973 Health Maintenance Organization Act

Provided grants for establishing and expanding HMO's prepaid medical care groups.

Toxic Substances Control Act

Required pretesting of new chemical substances prior to being put on the market, as well as the testing of certain substances already on the market.

Agriculture And Consumer Protection Act

Amended a farm bill passed in 1970, this act set price supports and "target prices," which therefore affected consumer prices.

Door-To-Door Selling Law

Established the Three-day Cooling-off Rule which gives the consumer until midnight of the third business day after signing a contract to cancel any purchase of $125 or more.

1974 Fair Credit Billing Act

Established procedures through which consumers can dispute any errors they find in credit card or charge account bills.

1975 Magnuson-Moss Warranty/Federal Trade Commission Improvement Act

Empowered the FTC specifically to make rules with respect to consumer product warranties; provided for consumer redress.

Equal Credit Opportunity Act

Made it unlawful for a creditor to discriminate against any applicant for credit on the basis of race, color, religion, national origin, sex or marital status, or age.

1976 Federal Consumer Leasing Act

Required disclosures in consumer leases of personal property where the lease exceeded four months and the total contractual obligation did not exceed $25,000.

Saccharin Study and Labeling Act

Required studies of carcinogenic and other toxic substances in foods; studied health benefits resulting from use of a non-nutritive sweetener; required labels stating that foods contain saccharin.

1978 Financial Institutions Regulatory And Interest Rate Control Act

Extended the authority for the Flexible regulations of interest rates on deposits and accounts in depository institutions.

National Consumer Cooperative Bank Act

Provided for consumers a further minimum of impact of inflation and economic depression by narrowing the price spread between cost to producer and consumer of needed goods.

Public Utility Regualtory Policies Act

Encouraged conservation of energy by electrical utilities; encouraged the optimization of the efficiency of facilities and resources used by electric utilities.

Consumer Education Act

Extended the expiring elementary and secondary education programs, including the special education programs.

1979 Trade Adjustments Act

Approved and implemented the trade agreements negotiated under the Trade Act of 1974, such as fair trading practices.

Export Administration Act

Provided authority to regulate exports and improved efficiency of export regulations; minimized interference with commerce.

1980 Consumer Checking Account Equity Act

Facilitated the implementation of monetary policies to provide for the gradual elimination of all limitations on rates of interest payable on deposits and accounts.

Dispute Resolution Act

Provided for financial assistance for the development and maintenance of effective, fair, inexpensive, and expeditious mechanisms for the resolutions of minor disputes.

1980 Federal Trade Commission Improvement Act

Amended the FTC Act to extend the authorization of appropriations contained in the act.

Infant Formula Act

Amended the Federal Food, Drug, and Cosmetics Act to strengthen the authority under the act to accure the safety and nutrition of infant formulas.

1981 Consumer-Patient Radiation Health And Safety Act

Insured safety and caution procedures for the administration of radiologic procedures.

Head Start Act

Extended the authority of funds from the Secretary of Health and Human Services to make arrangements to meet needs of Indian and migrant children.

1982 Piracy And Counterfeiting Amendments Act

Strengthening the laws against record, tape, and film piracy and counterfeiting.

1983 Dairy And Tobacco Adjustment Act

Stabilized the supply and demand for dairy products; made modifications in the tobacco production adjustment programs; provided for livestock feeding assistance.

Federal Anti-Tamper Act

Prohibited tampering with consumer products.

Mail-Order Consumer Protection Amendments

Strengthened the investigatory and enforcement powers of the postal service by authorizing inspection authority and by providing for civil penalties for violations (such as lotteries or fraud).

1984 Small Business And Federal Procurement Competition Enhancement Act

Amended the Small Business Act to include full and open competition for contracts from businesses.

Trade And Tariff Act

Amended trade laws and authorized the negotiation of trade agreements; extended trade preferences; changed tariff treatments.

Motor Vehicle Theft Law Enforcement Act

Amended the Motor Vehicle and Information Cost Savings Act; Strengthened laws to impede motor vehicle thefts which occur for purposes of dismantling the vehicle and reselling the major parts by registering the major replacement parts with identification numbers or symbols.

1985 Energy Policy And Conservation Amendment Act

Extended the Energy Policy and Conservation Act; strengthened energy conservation measures.

Health Research Extension Act

Amended the Public Health Service Act to revise and extend the authority of that act relating to National Institute of Health and National Research Instututes (research, health policies).

Fair Labor Standards Amendment

Amended the Fair Labor Standards Act of 1938 to authorize the provision of compensatory time in lieu of overtime compensation for the employees of states.

1986 Food Security Improvements Act

Included and protected nonprogram crops to receive payment yields, agricultural trade assistance, export assistance, and development and exension of markets for those crops.

Comprehensive Smokeless Tobacco Health Education Act

Provided for public education concerning the health consequences of using smokeless tobacco.

GOVERNMENT AGENCIES

FEDERAL AVIATION ADMINISTRATION, FAA

FEDERAL COMMUNICATIONS COMMISSION, FCC

FEDERAL RESERVE BANK, FRB

FEDERAL TRADE COMMISSION, FTC

INTERSTATE COMMERCE COMMISSION, ICC

VETERANS ADMINISTRATION, VA

UNITED STATES DEPARTMENT OF AGRICULTURE, USDA

FOOD AND DRUG ADMINISTRATION, FDA

FEDERAL DEPOSIT INSURANCE CORPORATION, FDIC

INTERNAL REVENUE SERVICE, IRS

FEDERAL HOUSING ADMINISTRATION, FHA

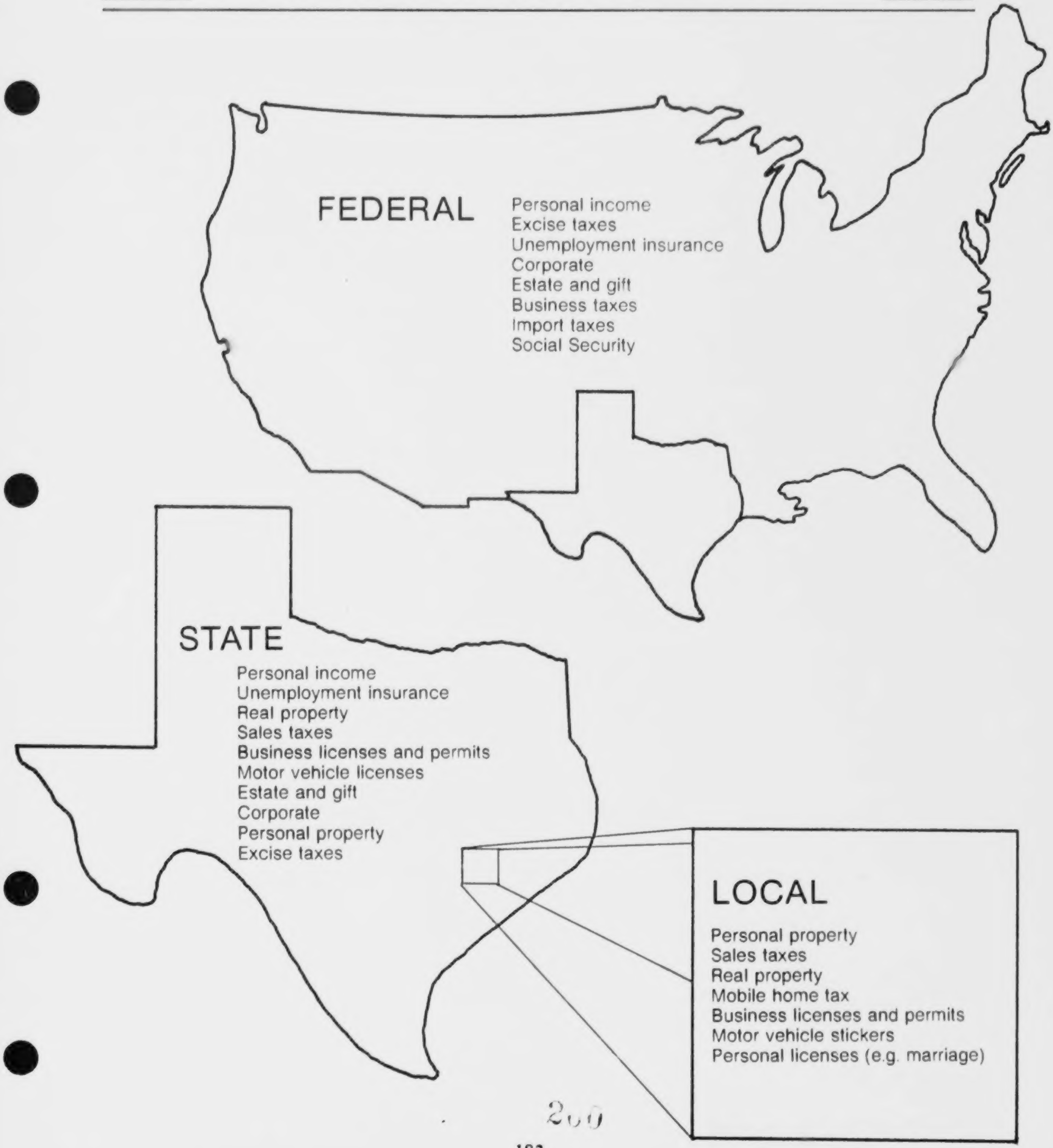
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, OSHA

SUMMARY CHART: GOVERNMENTAL PROTECTION FOR THE CONSUMER

AGENCY	WHAT HELP IS GIVEN	LOCATION (ADDRESS)
FEDERAL AVIATION ADMINISTRATION		
FEDERAL COMMUNICATION COMMISSION		
FEDERAL RESERVE BANK		
FEDERAL TRADE COMMISSION		
INTERSTATE COMMERCE COMMISSION		
VETERANS ADMINISTRATION		
UNITED STATES DEPT. OF AG.		

AGENCY	WHAT HELP IS GIVEN	LOCATION (ADDRESS)
FOOD AND DRUG ADMINISTRATION		
FEDERAL DEPOSIT INSURANCE CORPORATION		
INTERNAL REVENUE SERVICE		
FARMERS HOME ADMINISTRATION		
OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION		
OTHERS:		

TYPES OF TAXES



FEDERAL

- Personal income
- Excise taxes
- Unemployment insurance
- Corporate
- Estate and gift
- Business taxes
- Import taxes
- Social Security

STATE

- Personal income
- Unemployment insurance
- Real property
- Sales taxes
- Business licenses and permits
- Motor vehicle licenses
- Estate and gift
- Corporate
- Personal property
- Excise taxes

LOCAL

- Personal property
- Sales taxes
- Real property
- Mobile home tax
- Business licenses and permits
- Motor vehicle stickers
- Personal licenses (e.g. marriage)

A PROGRESSIVE TAX

Yearly Income	Tax Rate As A Percent Of Income	Amount Of Tax
$ 1,000	1.0%	$ 10
2,000	2.0	40
3,000	2.9	87
4,000	5.0	200
5,000	10.0	500
10,000	20.0	2,000
25,000	40.0	10,000
100,000	60.0	60,000

A PROGRESSIVE TAX INCREASES AS INCOME INCREASES

EXAMPLE: FEDERAL INCOME TAX

A REGRESSIVE TAX

Yearly Income	Tax Rate As A Percent Of Income	Amount Of Tax
$ 1,000	1.0%	$ 10
2,000	0.9	18
3,000	0.8	24
4,000	0.7	28
5,000	0.6	30
10,000	0.5	50
25,000	0.4	100
100,000	0.3	300

A REGRESSIVE TAX DECREASES AS INCOME INCREASES

EXAMPLE: SALES TAX

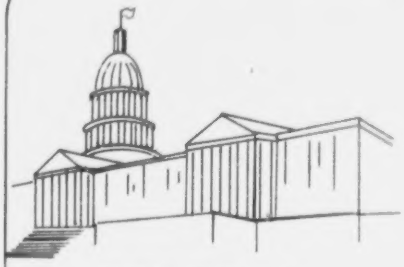
A PROPORTIONAL TAX

Yearly Income	Tax Rate As A Percent Of Income	Amount Of Tax
$ 1,000	1.0%	$ 10
2,000	1.0	20
3,000	1.0	30
4,000	1.0	40
5,000	1.0	50
10,000	1.0	100
25,000	1.0	250
100,000	1.0	1,000

A PROPORTIONAL TAX IS THE SAME FOR ALL INCOME LEVELS

EXAMPLE: SOCIAL SECURITY TAX

HOW TAXES ARE USED

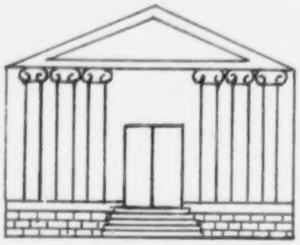


FEDERAL

- Highways
- National parks
- Educational services
- Public health and welfare services
- Agricultural and medical research
- National defense program
- Federal Government
- Courts
- Federal prisons

STATE

- Highways
- Recreation and parks
- Education
- Hospitals
- Special Schools
- Public assistance
- Welfare service
- State Government
- Courts
- State prisons



LOCAL

- Police and fire protection
- Schools
- Community colleges
- Streets
- Sidewalks
- Libraries
- Water systems
- Sewer systems
- Parks
- Swimming pools
- Local government
- Courts
- Prisons

TAX REFORM ACT OF 1986

GOALS:

1. Create more equitable tax laws.
2. Simplify tax codes.

NEW AND REVISED EXEMPTIONS:

1. Personal exemptions (Dollar amont that an individual can subtract from their taxable income.)
   These will be increased in the following amounts:
   a. 1986------$1,080.00
   b. 1987------$1,900.00
   c. 1988------$1,950.00
   d. 1989------$2,000.00

2. Standard deduction (Amount that non-itemizers may subtract from their taxable income.)
   These will be increased in the following amounts:
   a. 1987------$2,540.00 (singles)
   $3,760.00 (married)
   b. 1988------$3,000.00 (singles)
   $5,000.00 (married)

NEW AND REVISED DEDUCTIONS:

(These are only a few of the revisions.)

a. No deductions for IRA's at higher income levels.
b. Property taxes and interest on first two mortgages paid are still deductible.
c. Scholarships used by degree-seeking students used to pay for tuition, books, and supplies for school are tax free.
d. Scholarships used to pay for room and board are taxable when used by non-degree-seeking or degree-seeking students.
e. All scholarships used by non-degree seeking students are taxable.

OPPORTUNITY COSTS AND BENEFITS OF GOVERNMENT REGULATIONS:

Each group will read one of the following case studies and answer the five thought questions at the bottom of the page.

1) RAISING THE DRINKING AGE

Raymond and Steven are twenty-years-old. Until the drinking age was raised to twenty-one, both were able to purchase alcohol and get into clubs. Despite the fact that their best friend, Robert, was killed in an alcohol-related traffic fatality last year, Raymond and Steven still try to acquire alcohol. They pay no attention to the fact that they are "under-age."

2) BANNING SMOKING IN PUBLIC PLACES

Cristina and Lloyd have both smoked since they were fifteen. Despite the fact that their parents, health authorities, and their friends have discouraged this, they continue to smoke. Lloyd's grandfather recently died due to emphysema (resulting from years of heavy smoking.) Last Friday, Lloyd and Cristina were at a local restaurant. The couple next to them observed the "NO SMOKING" sign and asked the waiter to request the pair to stop smoking in the restaurant. The waiter politely pointed out the sign to Lloyd. He exclaimed, "I am not giving you my business, then!" Cristina and Lloyd stormed out of the restaurant.

3) SEATBELT LAWS

Johnny and Camille are furious with the new seatbelt laws. Neither of them have ever had an accident and they don't think they should be told they have to "buckle-up." Despite auto safety statistics, they failed to be convinced until Johnny was hit by another car last week. The policeman told him that without his safety belt, he could have been thrown from the car. Johnny suffered a broken arm.

4) TRAFFIC SPEED LIMITS

Sandy, Dana and Karen have all had their driver's licenses for two years. In that time, they have each had two or three speeding tickets. They are insulted by the tickets and still make no attempt to follow the speed limits. Last night, Karen and Sandy were hit by a speeding car that ran a stop sign. They are both in critical condition.

QUESTIONS FOR THOUGHT:

1) How do individuals take advantage and abuse laws that are set up for their protection?

2) Why is this law important? List five reasons or "benefits" of this law.

3) What do citizens give up in exchange for this law ("cost")?

4) How does a personal case concerning a law change a person's opinion of the law?

5) How is this law a benefit for some people and a cost for others? What is your opinion?

TWELVE-HOUR TIME LOG

TIME	DATE	ACTIVITY	CONTROLLED/REGULATED BY (Agency/Law)
EXAMPLE: 7:30 a.m.	Jan. 15	Listened to radio	Federal Communications Commission licenses radio stations

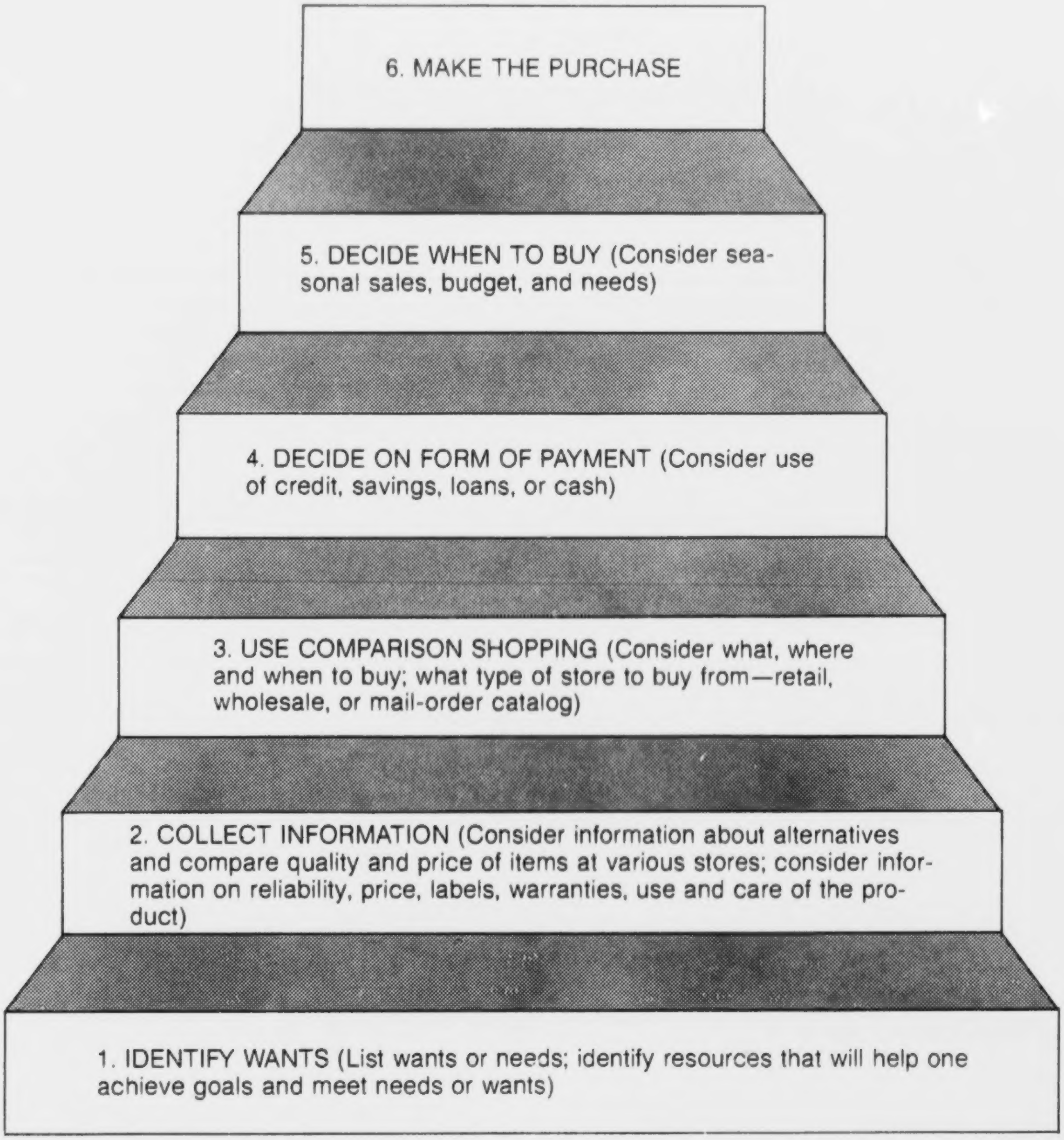
ROLE PLAY SITUATIONS

Tom Johnson has purchased a set of mag wheels for his car. He hadn't intended to buy them, but the man he rides to work with stopped at an auto parts shop on the way home from work and--Tom came home with the mag wheels. He tells Ellen what he has done and she is very angry. Their son, Tommy, has a hole in his shoes and must have new ones. Ellen has a cavity and must see the dentist.

Mary Garcia is shopping with her friend, Wilma Williams. Mary only planned to buy some new pajamas for her son, Mark, until--she saw the dress in the department store window. It was love at first sight! Now Mary must have that dress, but she debates how she can afford it. Can she skip buying the pajamas for Mark and cut down on groceries?

Julia and Sam Jones were shopping for groceries. There were many attractive displays and stacks of things in the aisles and Julia and Sam stopped to look at them. He bought chips and dip after a salesperson gave him a "taste." Julie picked up a package of candy and some cokes on "special." Then, there were frozen TV dinners with a sign that said, "Give yourself a rest tonight--you deserve it--Buy Frozen TV Dinners." The Joneses hadn't planned to buy any of these things. At the checkstand Sam picked up a couple of magazines and a package of gum. Sam and Julia couldn't believe they had spent $35 more than they had intended!

STEPS IN PLANNING PURCHASES



6. MAKE THE PURCHASE

5. DECIDE WHEN TO BUY (Consider seasonal sales, budget, and needs)

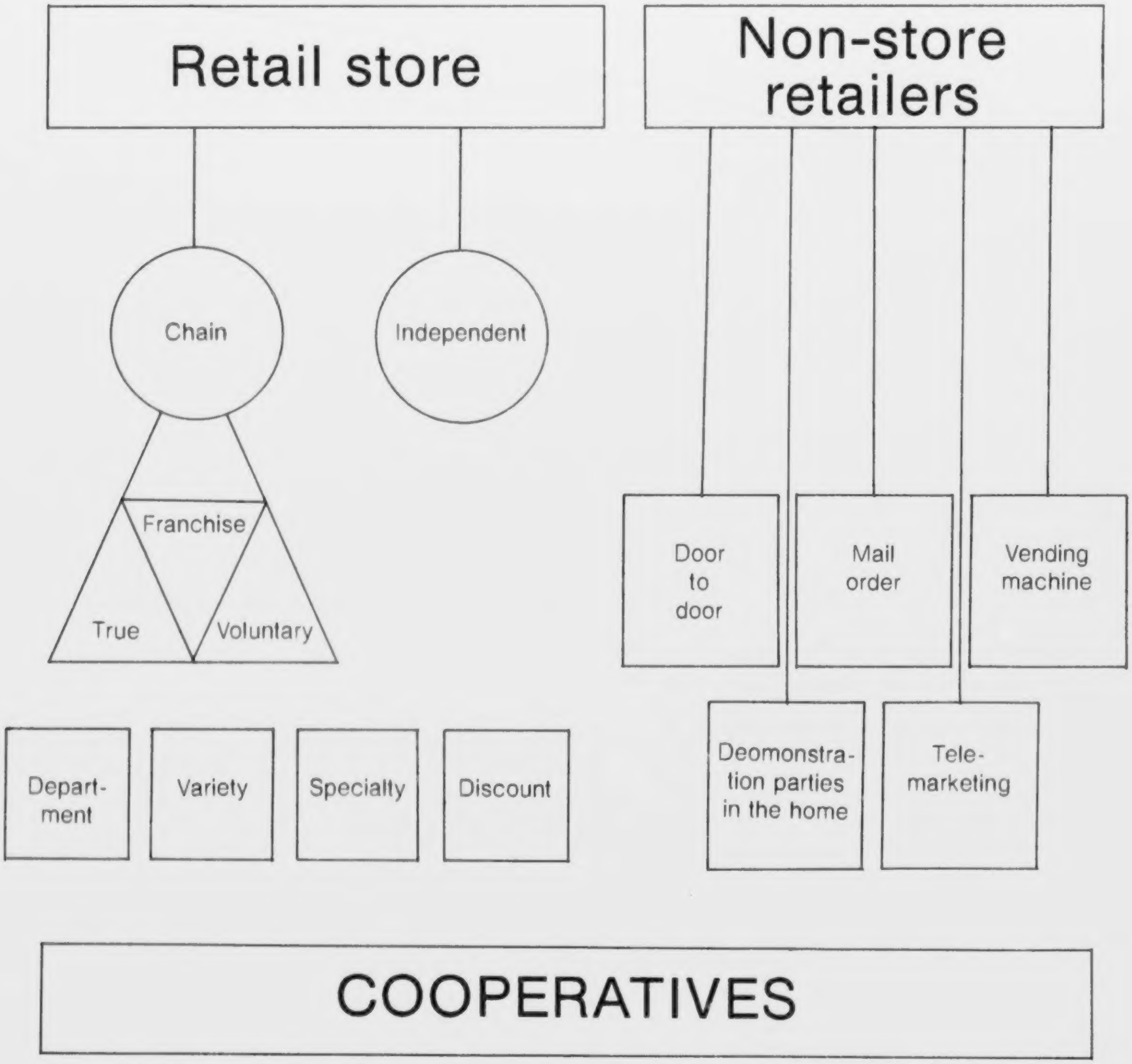
4. DECIDE ON FORM OF PAYMENT (Consider use of credit, savings, loans, or cash)

3. USE COMPARISON SHOPPING (Consider what, where and when to buy; what type of store to buy from—retail, wholesale, or mail-order catalog)

2. COLLECT INFORMATION (Consider information about alternatives and compare quality and price of items at various stores; consider information on reliability, price, labels, warranties, use and care of the product)

1. IDENTIFY WANTS (List wants or needs; identify resources that will help one achieve goals and meet needs or wants)

SOURCES OF GOODS AND SERVICES



DIRECTIONS FOR USE: Cut shapes out of brightly colored construction paper. Print words in capital letters (glue felt on back of each shape). Add shapes to flannelboard as each source of goods and services are discussed. Use strings to connect as needed.

SHOPPING FACILITIES CHECKLIST

Check type of shopping facility visited:

Department store _____
Variety store ______
Door-to-door selling ______
Vending machines ______
Specialty store ______
Discount store ______
Mail-order ______
Cooperative ______

In the blanks at the left, check services offered by the shopping facility you visited. In the space at the right, jot down any important information that would help you report on the services of this facility.

______1. Wide selection of merchandise
______2. Different price levels
______3. Return privileges
______4. Approval privileges
______5. Alterations
______6. Convenient shopping hours
______7. Night shopping
______8. Physical plant-attractive and well kept
______9. Desirable location
______10. Adequate, free parking facilities
______11. Self-service
______12. Well-trained sales people
______13. Sales staff adequate to handle customer load
______14. Evidence of customers receiving personal service
______15. Personal shopping
______16. Decorator or other consulting services
______17. Merchandise attractively displayed
______18. Prices on merchandise clearly marked
______19. Free delivery
______20. Mailing facilities
______21. Adequate opportunity to inspect merchandise
______22. Customer credit (find out types if offered)
______23. Insurance on credit contracts or merchandise
______24. Check cashing privileges
______25. Profit-sharing with customers
______26. Installation service (where applicable)
______27. Repair service (where applicable)
______28. Other customer services offered--list below

____
____
____

Cost of three items chosen for comparison:
Item 1 ______________ Item 2 ______________ Item 3 ______________

Comments ____
____
____
____

COMPARING GOODS AND SERVICES

GOODS

1. PRICE---Am I getting my money's worth?
2. QUALITY---Is product sufficiently durable for uses?
3. FEATURES---Look at performance reports, care requirements, and safety features.
4. COMPATABILITY---Is product in line with your needs?
5. WARRANTIES AND GUARANTEES---Which product has best and most suitable coverage policies?
6. COMPLIMENTARY SERVICES---What services are provided by the place of purchase?
7. REPUTATION---Is manufacturer reliable? Is seller reliable?

SERVICES

1. Am I getting my money's worth?
2. What exactly do I need?
3. Who would perform the service most efficently?
4. Which firm is most reputable?
5. Which firm has the best protection? (Guarantees, bonding contracts, warranties, etc.)
6. What are the return policies of the firm?

COMPARISON SHOPPING CHART

			STORES COMPARED							
PRODUCTS	Size of Container	Location of Item (Where on shelf, high, low, center; where in store; etc.)	H & B Grocery							Rating of cost, highest to lowest
E.g. Mr. Atlas Toothpaste	3 oz.	Center Shelf	49¢							
E.g. Store's Own Brand or Chain Brand	3 oz.	Top Shelf	43¢							

HOUSING PRIORITIES[1]

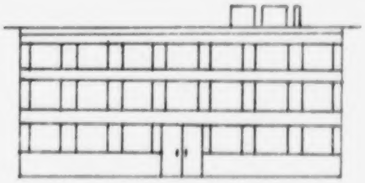
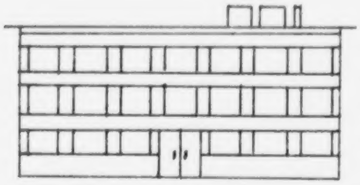
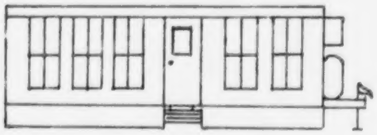
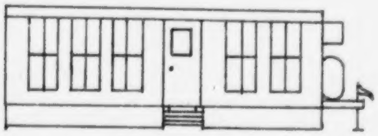
by Glenn H. Beyer

	AGREE	DISAGREE
1. I want a house where family members can spend time together.		
2. I want a location which would make it easy for relatives to get together.		
3. I want a house with enough room for parents to feel free to move in.		
4. I want a house with enough room for married children to feel free to move in.		
5. I think a child should leave home as soon as he/she can be self-supporting.		
6. I want a house where childrens' needs can be considered before others.		
7. I think each member of the family should have the same right to use any room in the house.		
8. When teen-age children entertain friends, they should be able to use the house as they want.		
9. I want every room in my house to have a good supply of fresh air.		
10. I think housework has little to do with the physical health of careaker.		
11. I think stairways in a house are dangerous.		
12. I think a house should have a place set aside for the sick.		
13. From the standpoint of accidents, I think the house is a dangerous place.		
14. I must have a location where nearby houses won't lower the resale value of my property.		
15. I want a house which I can sell at a profit at any time.		
16. I would only buy a house that had low maintenance costs.		
17. I want a house for which I can pay as little as possible.		
18. I often think owning a house leaves too little money for other things.		
19. I want a house which enables me to save some money by doing my own maintenance and repair work.		
20. I want a house where I can change furniture around.		
21. In my house I want complete freedom to do as I please.		
22. I want a place in my house where I can be free from interruptin of family members.		
23. I want a house located where I can be free from neighbors' interruptions.		
24. I want a place in my house where others can't interrupt me.		
25. I must have a house which is pleasant to look at.		
26. Having a garden makes living more beautiful.		
27. A beautifully decorated house adds much to the joy of living.		
28. I want a house which I can be proud to have my friends see.		
29. I want a location where my childrens' playmates will come from families of the right social class.		
30. I want a house which will help me in my social contacts.		
31. I want a house just as nice as my friends' houses.		
32. I think my house has a lot to do with my friends' opinion of me.		
33. I want my house to give me a feeling of orderliness.		
34. I must have a house which gives me a feeling of calmness.		
35. When I'm upset I want a place in the house where I can be alone		
36. I get bored when I have to stay in the house.		
37. I want a house where I can have plenty of room for my recreation.		
38. A house is one place where I like to do things for the fun of it.		
39. I like to spend my leisure time away from the house.		
40. I want my recreation to come before the household chores.		

---

[1] Reprinted from Housing and Personal Values. Memoir 364, Ithaca, NY: Cornell University, Agricultural Experiment Station. NY State College of Home Economics.

HOUSING SELECTION

HOUSING CHOICES	DESCRIPTION OF HOUSING	FAMILY LIFE CYCLE CHOICE AND JUSTIFICATION
Rent Furnished Apartment 	Furniture included. Will have private bath. Caretaker has general responsibility of upkeep and repairs. A lease may be required. May need to pay a security deposit.	
Rent Unfurnished Apartment 	Furniture not included. Will have private bath. Caretaker has general responsibilities of upkeep and repairs. A lease may be required. May need to pay a security deposit.	
Buy Mobile Home 	Put mobile home on a lot you pay rent for. Up-keep of lot is responsibility of renter.	
Rent Mobile Home 	Rent paid includes use of lot and mobile home. Upkeep of lot is responsibility of renter. Taxes on mobile home are owner's responsibility. May need to pay a security deposit.	

HOUSING SELECTION

HOUSING CHOICES	DESCRIPTION OF HOUSING	FAMILY LIFE CYCLE CHOICE AND JUSTIFICATION
Rent Furnished Room 	One room with furniture. Usually no cooking facilities are included. Usually a community bath.	
Rent Unfurnished House 	Furniture and major appliances not provided. Landlord has major responsibilities or upkeep, repairs and taxes. A lease may be required.	
Rent Furnished House 	Furniture is provided. major appliances are included. Landlord has major responsibility of upkeep repairs and taxes. A lease may be required.	
Buy House (new, used, or build) 	Purchase single dwelling usually with a mortgage which is a claim against property that a borrower gives to a lender as security. The lender is usually a bank, savings and loan association or insurance company. Buyer pays closing costs and fees (charges for settling legal and financial matters. Buyer has title and and deed and is responsible for mortgage payments and insurance and maintenance of home.	

HOUSING SELECTION

HOUSING CHOICES	DESCRIPTION OF HOUSING	FAMILY LIFE CYCLE CHOICE AND JUSTIFICATION
Buy Duplex 	Purchase two separate, identical apartments both in one dwelling. Can live in one and rent the other. Owner has full responsibility of upkeep.	
Buy Condominium 	Purchase individual unit in a multi-unit project. Share ownership of grounds, stairways and other common areas. Maintenance required for upkeep of common areas.	
Buy Stock in Cooperative Dwelling 	Cooperative units are owned by a corporation whose members are all residents of the dwellings. The corporation owns the title to the dwelling. Resident buys stock to the corporation which entitles them to occupy a unit. Monthly maintenance and tax payment is required.	

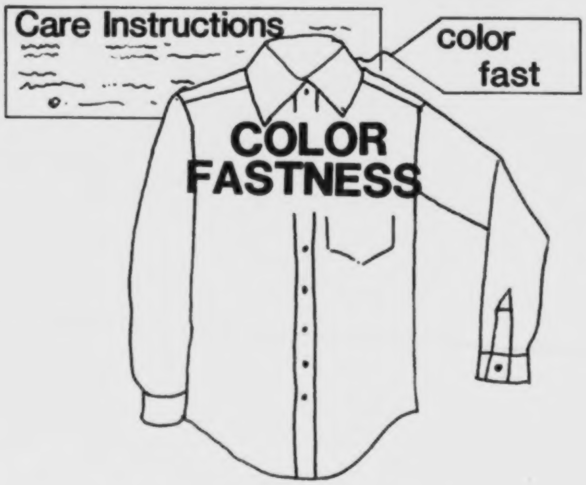
WORKSHEET FOR MONTHLY AUTOMOBILE OPERATING COSTS

	PLANNED	ACTUAL
Monthly installment (if any)	______	______
Monthly car insurance payment (Divide yearly cost by 12 if paid in lump sum)	______	______
License fees (Yearly cost divided by 12)	______	______
Monthly gasoline costs (Take avg. no. miles driven per month ___ divide avg. no. miles per gallon ___ times average price of gasoline per gallon = ___	______	______
Average monthly upkeep cost (Oil, grease, tune-up, antifreeze, inspection, tires, repairs, etc.)	______	______
Miscellaneous fees (e.g.: parking, city taxes, etc.)	______	______
TOTAL:	$______	$______

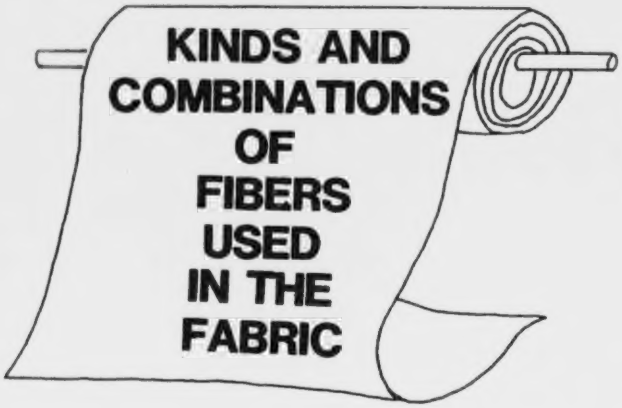
NOTE: For a more accurate estimate of operating costs, include depreciation. Try to find the estimated yearly depreciation in value for your specific make, model, and price of car. Divide by 12 to estimate the monthly depreciation and add to total.

POINTS TO LOOK FOR ON TAGS AND LABELS OF FABRICS AND CLOTHING

1. Brand name finishes for wool fabrics and the sanforized process for cotton and linen fabrics have proved reliable.



2. Seals or tags of the American Institute of Laundering and statements of manufacturers may be considered reliable.

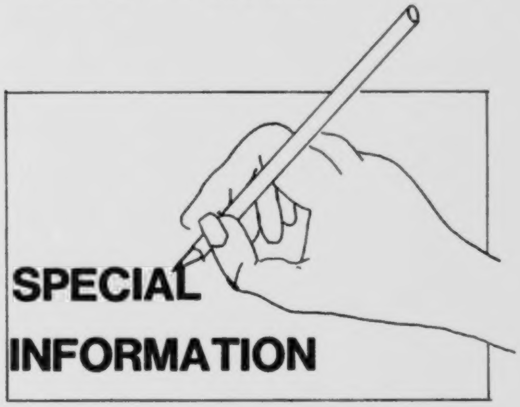


3. The Wool Products Labeling Act and the Textile Fiber Products Identification Act require fabrics to be labeled as to percentage of content by weight of each fiber of which the fabric is comprised.

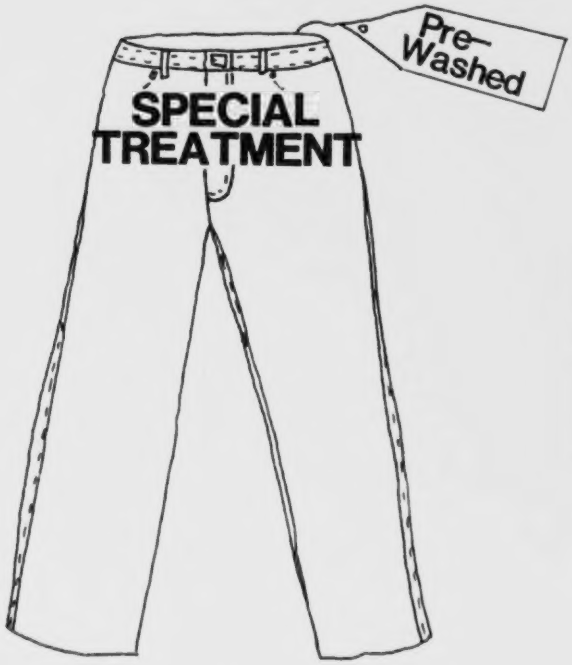
4. Satisfactory experience in using a product may be a factor in selecting the same brand again.

POINTS TO LOOK FOR ON TAGS AND LABELS OF FABRICS AND CLOTHING

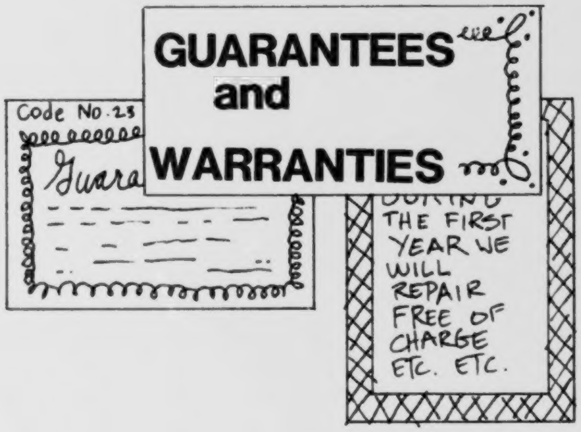
5. Look for statements regarding workmanship and methods of processing.



6. Instruction as to washing, ironing, cleaning, and pressing, and care, strength, resistance to light and heat, stretch and similar characteristics may be helpful.



7. Has the fabric been treated to prevent stains, repel water, prevent wrinkles, increase the wear, or change the appearanc?



8. Manufacturers' statements, if any, should be noted.

CLOTHING INVENTORY FOR COMING SEASON

	SCHOOL	CASUAL	WORK	DRESSY	GOOD CONDITION	REPAIR/ ALTERATION NEEDED	REPLACE/ NEED
SLACKS							
SKIRTS							
SWEATERS							
SHIRTS							
JACKETS							
ACCESSORIES							
OTHER							

DAILY FOOD GUIDE

FOOD GROUPS	# OF SERVINGS	FOODS INCLUDED
MEAT/LEGUME	2	Beef, veal, lamb, pork, variety meats (liver, heart, tongue), luncheon meats (bologna, loafs), bacon, salt pork, poultry, fish and shellfish, eggs, dry beans, dry peas, lentils, soybeans, peanuts, peanut butter, tree nuts.
VEGETABLE/FRUIT ---Dark-green and deep yellow (Vit. A)	4	Broccoli, chard, collard, kale, spinach, dark greens, green peppers, carrots, pumpkins, yellow squash, sweet potatoes.
---Citrus Fruits (Vit. C)		Grapefruit, lemons, limes, oranges, tangerines, tomatoes.
---Others		Asparagus, beets, brussel sprouts, cabbage, cauliflower, potatoes, celery, corn, cucumbers, lettuce, apples, bananas, dates, berries, figs, grapes, melons, pears, raisins, rhubarb.
BREAD/CEREAL	4	Flour and meal, cereals, rice, hominy, noodles, macaroni, spaghetti, breads, cakes, grains.
MILK/MILK PRODUCTS	Children: 4 Adults: 2 Pregnant Women: 4 Nursing Women: 6	Whole milk, skim milk, lowfat milk, buttermilk, dry milk, condensed milk, evaporated milk, cream, ice cream, yogurt, cottage cheese, assorted cheeses.
FATS/SWEETS/ALCOHOL	Moderation	Margarine, mayonnaise, salad dressing, oils, drippings or fats, shortening, sugars (brown, granulated, powdered), molasses, syrup, honey, preserves, jams, jellies, desserts, beer, wine.

FOOD GROUP ROUNDUP

DIRECTIONS:
1. Unscramble the food words below. Use one letter for each blank. Each unscrambled word is a nutritious food choice.
2. Find the Secret Words by unscrambling the circled letters.
3. At the bottom of the page, place each unscrambled work into the appropriate food group of the Daily Food Guide.

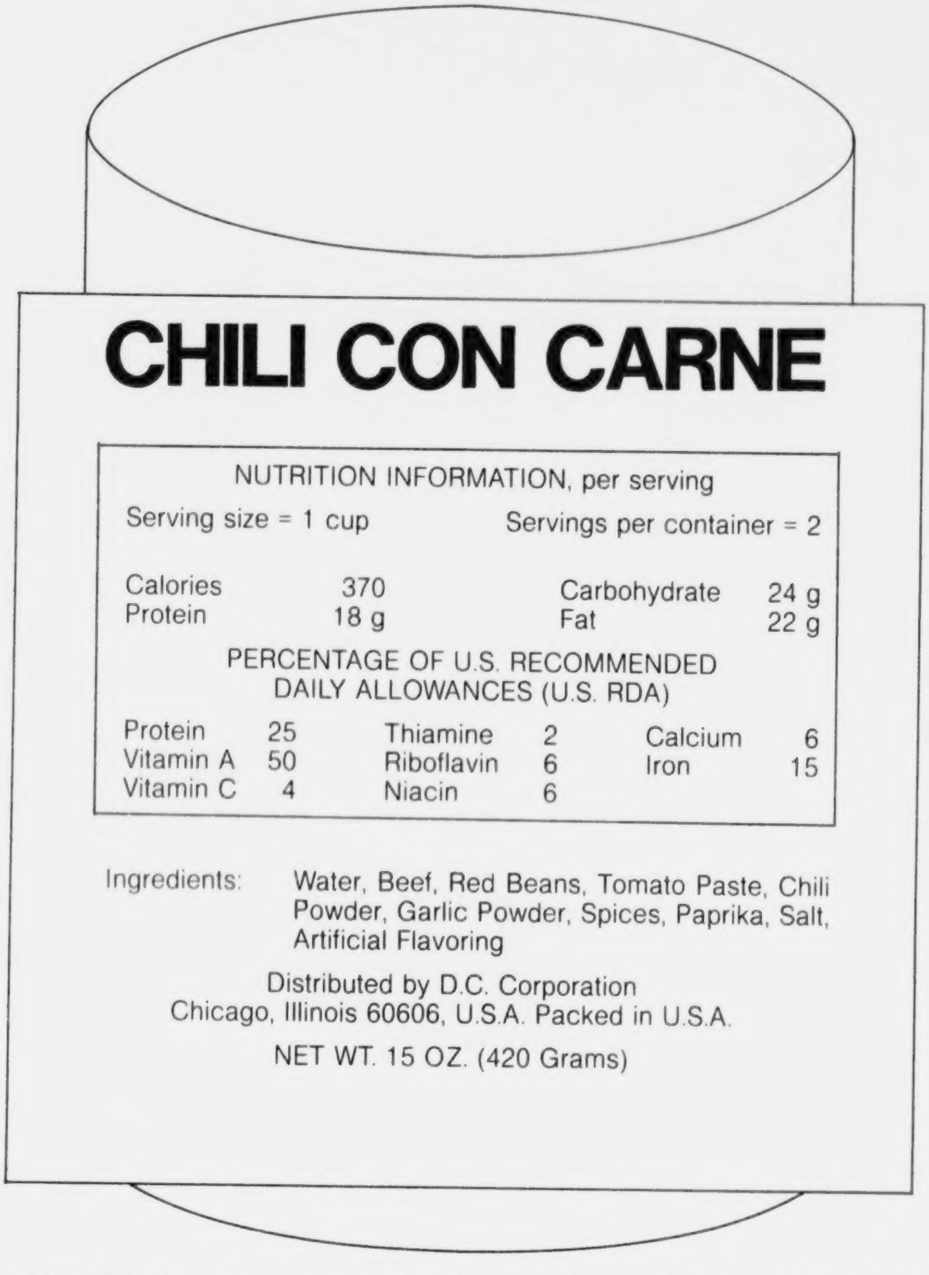
1. TSCUBISI ○ _ _ _ _ _ _ _
2. HLLSIFSEH _ _ _ ○ _ _ _ _ _
3. PLCNEATUAO ○ _ _ _ _ _ _ _ _ _
4. SNOELOD _ _ _ ○ _ _ _
5. NCMORAIA _ ○ _ _ _ _ _ _
6. EFEB _ ○ _ _
7. TGYRUO _ _ _ _ _ ○
8. NEYSBOSA _ _ _ _ ○ _ _ _
9. EPTRASIS _ _ _ _ _ ○ _ _
10. CTACTOE SCEEHE _ _ _ _ _ ○ _ _   _ _ _ _ _ _
11. SNEITGANRE _ _ ○ _ _ _ _ _ _ _
12. DLSAA ISGNSRDE _ _ _ _ ○   _ _ _ _ _ _

SECRET WORDS: _ _ _ _ _ _ _ _   _ _ _ _ _

DAILY FOOD GUIDE

MILK/MILK PRODUCTS	MEAT/ LEGUMES	VEGETABLES/ FRUITS	BREADS/ CEREALS	FATS/ SWEETS/ ALCOHOL

LABELS TELL IT
LIKE IT IS



CHILI CON CARNE

NUTRITION INFORMATION, per serving

Serving size = 1 cup Servings per container = 2

Calories	370	Carbohydrate	24 g
Protein	18 g	Fat	22 g

PERCENTAGE OF U.S. RECOMMENDED
DAILY ALLOWANCES (U.S. RDA)

Protein	25	Thiamine	2	Calcium	6
Vitamin A	50	Riboflavin	6	Iron	15
Vitamin C	4	Niacin	6		

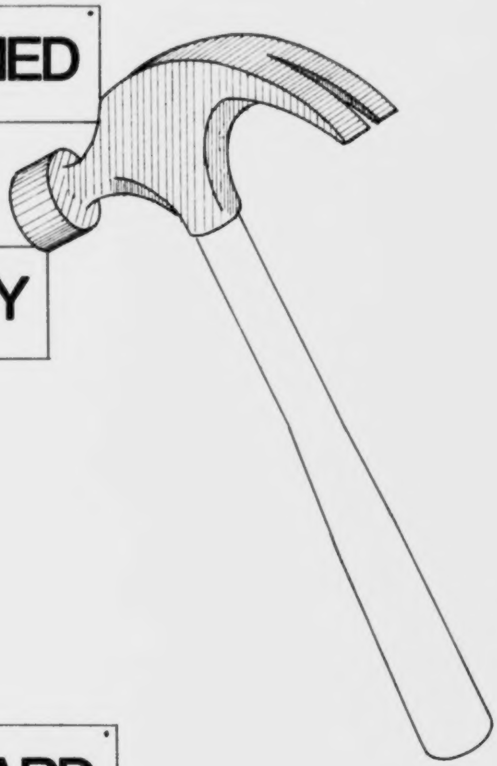
Ingredients: Water, Beef, Red Beans, Tomato Paste, Chili Powder, Garlic Powder, Spices, Paprika, Salt, Artificial Flavoring

Distributed by D.C. Corporation
Chicago, Illinois 60606, U.S.A. Packed in U.S.A.

NET WT. 15 OZ. (420 Grams)

Taken from U.S. Department of Health, Education, and Welfare, Public Health Service, Food and Drug Administration, 5600 Fishers Lane, Rockville, Maryland, 20852, DHEW Publication NO. (FDA) 74-2023.

BASIC CONSUMER RIGHTS



THE RIGHT TO BE INFORMED

THE RIGHT TO SAFETY

THE RIGHT TO CHOOSE

THE RIGHT TO BE HEARD

THE RIGHT TO REDRESS

THE RIGHT TO CONSUMER EDUCATION

CONSUMER RIGHTS

THE RIGHT TO BE INFORMED

Analyze advertisements
Look for recent developments and information on goods and services
Understand performance claims
Check use and care instructions before buying
Seek information when existing information is inadequate

THE RIGHT TO SAFETY

Examine products for safety features
Study care instructions before buying and using
Study product safety ratings
Inform retailers and/or manufacturers of poor performance

THE RIGHT TO CHOOSE

Be selective
Resist pressure
Buy products, services efficiently
Recognize resource limitations
Know your motives
Be honest
Refuse products that waste resources
Use comparative shopping

THE RIGHT TO BE HEARD

Suggest consumer legislation
Suggest product improvements
Let merchants know what is expected
Know where to seek help
Write Congressmen
Write protest letters

THE RIGHT TO REDRESS

Explain the problem carefully and briefly
State what you believe should be done about your claim
Explain how the purchase is defective
List the steps you have already taken to solve the problem
Give as much specific information as possible, including style numbers, catalog number, order numbers, etc.
State when and where you bought the item or arranged for the service
Keep a copy of your letter of complaint
If you write a second letter, include a copy of the first

THE RIGHT TO CONSUMER EDUCATION

Take advantage of consumer education seminars and workshops
Subscribe to and read consumer education related magazines
Keep up-to-date on current consumer legislation
Learn about the other consumer rights and use them responsibly

CONSUMER RESPONSIBILITIES

THE RESPONSIBILITY TO USE INFORMATION

Look for information about products
Compare and evaluate products

THE RESPONSIBILITY TO USE PRODUCTS SAFELY

Use products as they were intended to be used
Follow recommended procedures for the care and maintenance of products

THE RESPONSIBILITY TO CHOOSE CAREFULLY

Use buying power intelligently
Encourage ethical business practices and safe and reliable products

THE RESPONSIBILITY TO SPEAK UP

Provide feedback to producers by expressing satisfaction and complaints through proper channels

THE RESPONSIBILITY TO SEEK REDRESS

Follow up on problems that need to be corrected until desired results are achieved

THE RESPONSIBILITY TO BE CONSUMER EDUCATED

Keep up-to-date on consumer information and legislation

AM I A RESPONSIBLE CONSUMER?

DIRECTIONS: Government legislation gives citizens our six consumer rights. It is the responsibility of each citizen to utilize those rights. Check the consumer responsibilities that were fulfilled on a consumer purchase.

CHECKLIST

______ Use and evaluate available information
______ Recall experiences of friends and relatives
______ Read magazine and newspaper articles
______ Study manufacturer's information
______ Read advertisements carefully
______ Shop for the best buy for your money
______ Do not shop for price alone
______ Buy from reliable businesses
______ Use economic votes wisely. (This means that every time a product is bought the consumer is in effect voting for or giving approval of that product.)
______ Make needs and wants known to retailers, manufacturers, and producers
______ Take contracts seriously
______ Make good use of what is available
______ Take advantage of protective services and agencies (For example, use grade labels, food grades, etc. Call the Better Business Bureau when that is available and appropriate.

YES or NO   Now answer the following questions.

Y   N   1. Was the most value received for the money?

Y   N   2. When buying goods, was all available information considered? Think about the last major purchase you made. What information was collected before the item was purchased?

Y   N   3. Do purchases usually give a long-lasting satisfaction?

FIGURED FOR FRAUD

DOOR TO DOOR

WHAT'S THEIR LEAD? WHAT PROMISES DO THEY MAKE? WHAT'S THE PRICE? WHAT'S THE QUALITY? CHECK THEIR ADDRESS AND READ BEFORE SIGNING!

MAIL FRAUD

WHO'S IT FROM? WHAT MUST CONSUMERS DO? HOW MUCH WILL IT COST? HOW GOOD IS IT?

UNORDERED MERCHANDISE

DID SOMEONE IN THE FAMILY ORDER IT? (THE ITEM DOES NOT HAVE TO BE FORWARDED OR RETURNED IF IT WAS NOT ORDERED.)

SUBSCRIPTIONS

WHAT'S THE CATCH? HOW MUCH WILL IT COST IN ALL? REMEMBER—FEW THINGS ARE REALLY FREE!

BAIT & SWITCH

IS MERCHANDISE REALLY FOR SALE? DOES A SALESPERSON TRY TO SHOW SOMETHING HIGHER PRICED OR CRITICIZE THE SALE ITEM?

SALE

IS IT REALLY A SALE? HOW DO PRICES COMPARE WITH THOSE IN OTHER STORES? WHAT ABOUT QUALITY?

DESTINED TO DECEPTION

REFERRAL PLANS

ARE YOU PROMISED A DISCOUNT IF FRIENDS WHOSE NAME YOU GIVE BUY?

WHOLESALE PRICES

IF THE SELLER IS A RETAILER, THEY CAN'T SELL WHOLESALE.

FREE

REMEMBER—FEW THINGS ARE REALLY "FREE."

CONTESTS

WHO WERE THE WINNERS? WAS A PURCHASE NECESSARY IN ORDER TO GET A PRIZE?

HOME IMPROVEMENT RACKET

ARE PROMISES OF FREE STAMPS, PAYMENT FOR USING YOUR HOME FOR ADVERTISING PURPOSES? DOES THE REPAIR PERSON USE THE SCARE APPROACH? READ BEFORE SIGNING.

BEWARE OF THESE

CUES TO QUACKERY

DOES THE DOCTOR USE A SPECIAL MACHINE OR "SECRET REMEDY?"

DO THEY CLAIM THAT THE MEDICAL PROFESSION IS AGAINST THEM?

DOES THE DOCTOR SAY SURGERY AND X-RAYS ARE BAD?

HOW DOES ONE HEAR ABOUT THE REMEDY OR THE DOCTOR?

DOES THE DOCTOR USE TESTIMONIALS FROM "CURED" PATIENTS?

CAN THE REMEDY BE PURCHASED THROUGH THE MAIL?

CONSUMER-SPONSORED SERVICES

1. Consumer's Research, Inc.--outgrowth of what was originally a small club for the study of consumer goods. Now a national organization, non-profit corporation, with extensive laboratory testing facilities. Subscribers are not members, but purchasers of periodical literature. Large staff of professional research and technical personnel who test and rate the efficiency of consumer products through scientific testing methods; develop testing methods and procedures; advise educators in the economics of consumption; provide consulting services on technical problems for consumers, government agencies, and others; and publish monthly and annual reports (*Consumers' Research Bulletin*) on products. Products are listed by name as *recommended*, *intermediate*, or *not recommended* and price level is indicated as low or high. (Washington, New Jersey 07882)

2. The American Council on Consumer Interests--nonpartisan, nonprofit organization serving consumer professionals. Has published a series of booklets dealing with vital issues. The typical titles: *Consumers Look at Fair Trade*, *What You Should Know About the Law of Estates*, *Consumers Look at Antitrust Laws*. *Publishes the ACCI Newletter* and *Journal of Consumer Affairs*, serves as clearinghouse for consumer information materials, and conducts annual conference devoted to consumer problems. (15 Gwynn Hall, University of Missouri, Columbia, Missouri 65201)

3. *Consumers Union of United States, Inc*.--nonprofit organization. Purposes are (1) to provide consumers with information and assistance on all matters relating to consumer goods and services; (2) to give information and assistance on all matters relating to expenditure of family income; (3) to initiate and to maintain acceptable living standards. A large technical staff is employed in laboratories, and part-time shoppers buy sample products to send to the laboratory for testing. Ratings of products are based on laboratory tests, controlled-use tests, and expert opinion or experience or a combination of these factors. They publish monthly and annual reports on tests of products in *Consumer Reports*. Brands are grouped as *acceptable* and *not acceptable* (Mount Vernon, New York)

4. *Consumer Cooperatives*--groups or organizations established to provide goods and services at lowest possible cost without sacrificing quality. They operate for benefit of their members as individual consumers. They subscribe to certain basic principles; (1) membership is open to any person, (2) each member has only one vote regardless of how much he has invested, (3) no profits are permitted, (4) members should obtain the best possible product or service at the most economical price, and (5) maximum information regarding products or services should be given to all members.

5. The Cooperative League of the U.S.A.--a national federation of cooperatives. Their purpose is to promote cooperatives and the benefits of cooperatives and to maintain an effective consumers' lobby in

Washington. Consumer's Lobby is published monthly and is available at no charge to persons who can produce concrete evidence of having communicated with their congressman or senator at least once during a three-month period. It contains reports on impending legislation and advice on steps deemed appropriate on the consumer's part.

6. National Consumers League--is supported by dues and contrubutions from its members. Its purpose is to promote legislative action in the interest of consumers. It has supported the efforts for pure foods and drugs, drug safety and effectiveness, truth-in-lending, truth-in-packaging, and better health insurance. Publications include "Fact Sheets," legislative alerts, and information regarding other protection needs. (Washington, D.C.)

7. Consumer Federation of America--was chartered in 1967 and employs a full-time executive director. Voting members are city, county, regional, state, and national consumer organizations, whereas nonvoting members are state or national consumer-oriented organizations sympathetic to the work of CFA, such as trade unions, state organizations, and national organizations, such as the YMCA. It publishes a newsletter, Consumer Action, in which to serve as a clearinghouse for an exchange of project information among local, state, and national groups. CFA concentrates on fact-finding before congressional committees and federal agencies, and providing a voice for all consumers in the nation. (Washington, D.C.)

CONSUMER COMPLAINTS

*CLASS ACTION SUITS

*SMALL CLAIMS COURT

*MANUFACTURERS
WARRANTIES

*STATE CONSUMER
PROTECTION AGENCY

*T.V., RADIO & NEWSPAPER
REPORTERS

*ACTION PANEL - SPONSORED
BY INDUSTRY

*FEDERAL AGENCIES

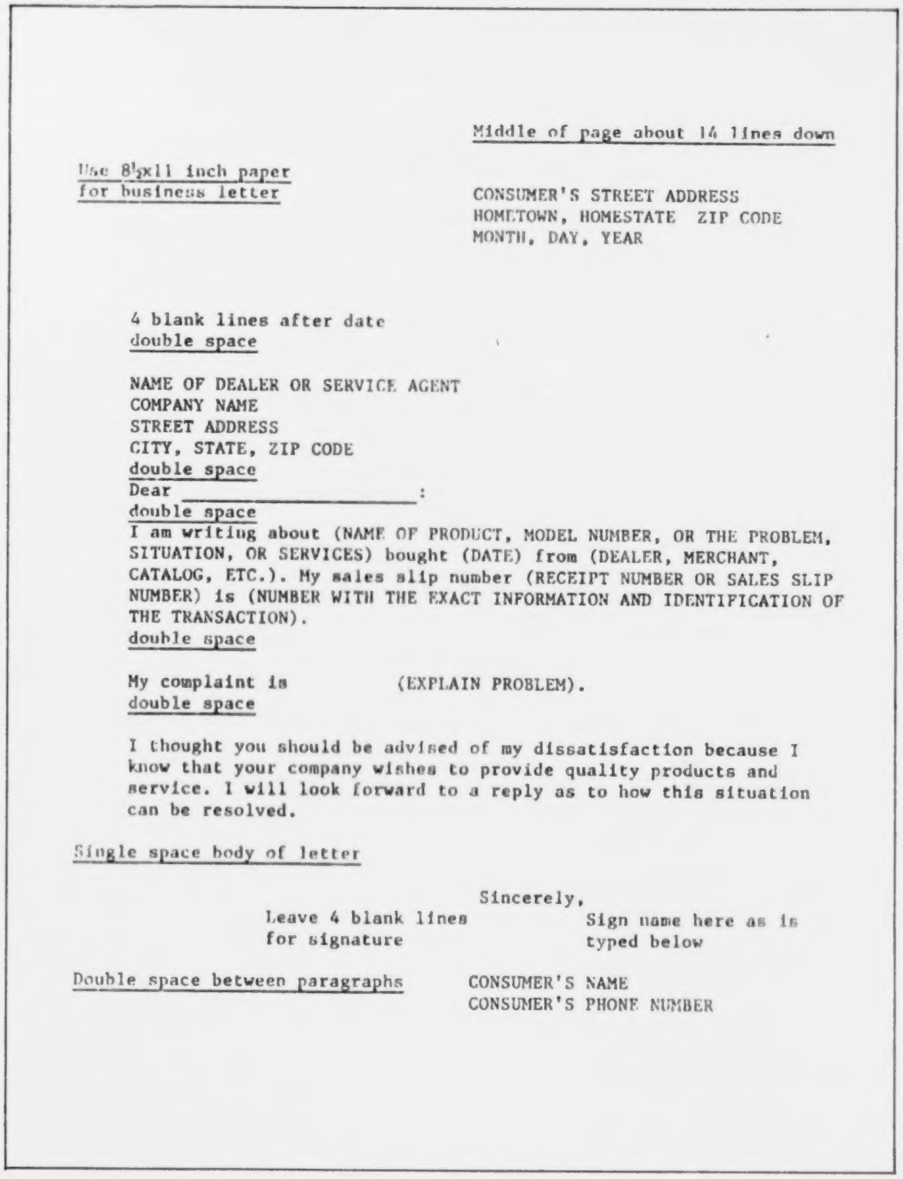
*RETAILER

WRITING A LETTER OF COMPLAINT

INCLUDE THE FOLLOWING

1. EXPLAIN THE PROBLEM CAREFULLY, BUT BRIEFLY.
2. TELL WHEN AND WHERE THE ITEM WAS BOUGHT OR ARRANGED FOR THE SERVICE.
3. EXPLAIN HOW THE PURCHASE IS DEFECTIVE.
4. LIST ANY STEPS ALREADY TAKEN TO SOLVE THE PROBLEM.
5. DETAIL SPECIFIC INFORMATION, SUCH AS STYLE NUMBERS, CATALOG NUMBERS, ORDER NUMBERS, ETC.
6. STATE WHAT ACTION IS WANTED ABOUT THE CLAIM.
7. KEEP A COPY OF THE LETTER OF COMPLAINT.
8. IF A SECOND LETTER IS NECESSARY, INCLUDE A COPY OF THE FIRST LETTER.

COMPLAINT FORM LETTER AND ENVELOPE



Middle of page about 14 lines down

Use 8½x11 inch paper
for business letter

CONSUMER'S STREET ADDRESS
HOMETOWN, HOMESTATE ZIP CODE
MONTH, DAY, YEAR

4 blank lines after date
double space

NAME OF DEALER OR SERVICE AGENT
COMPANY NAME
STREET ADDRESS
CITY, STATE, ZIP CODE
double space
Dear ____________________:
double space

I am writing about (NAME OF PRODUCT, MODEL NUMBER, OR THE PROBLEM, SITUATION, OR SERVICES) bought (DATE) from (DEALER, MERCHANT, CATALOG, ETC.). My sales slip number (RECEIPT NUMBER OR SALES SLIP NUMBER) is (NUMBER WITH THE EXACT INFORMATION AND IDENTIFICATION OF THE TRANSACTION).

double space

My complaint is (EXPLAIN PROBLEM).

double space

I thought you should be advised of my dissatisfaction because I know that your company wishes to provide quality products and service. I will look forward to a reply as to how this situation can be resolved.

Single space body of letter

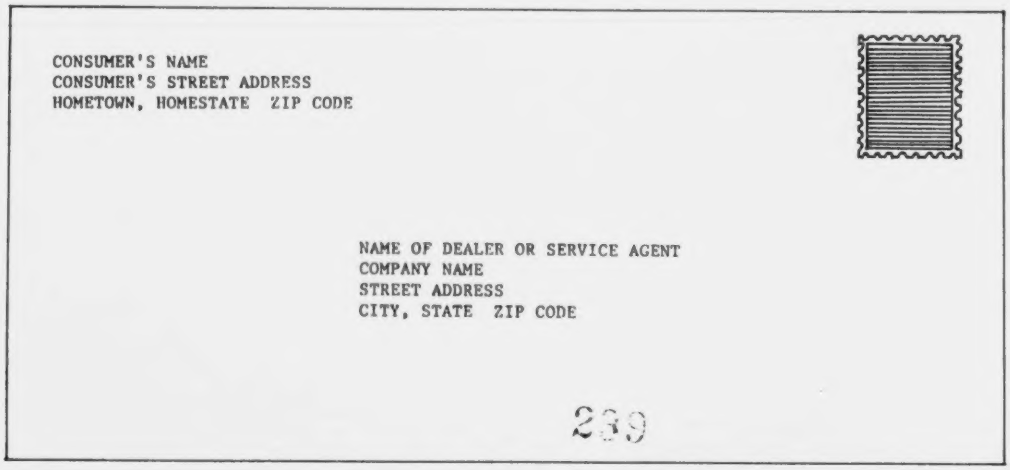
Sincerely,

Leave 4 blank lines
for signature

Sign name here as is
typed below

Double space between paragraphs

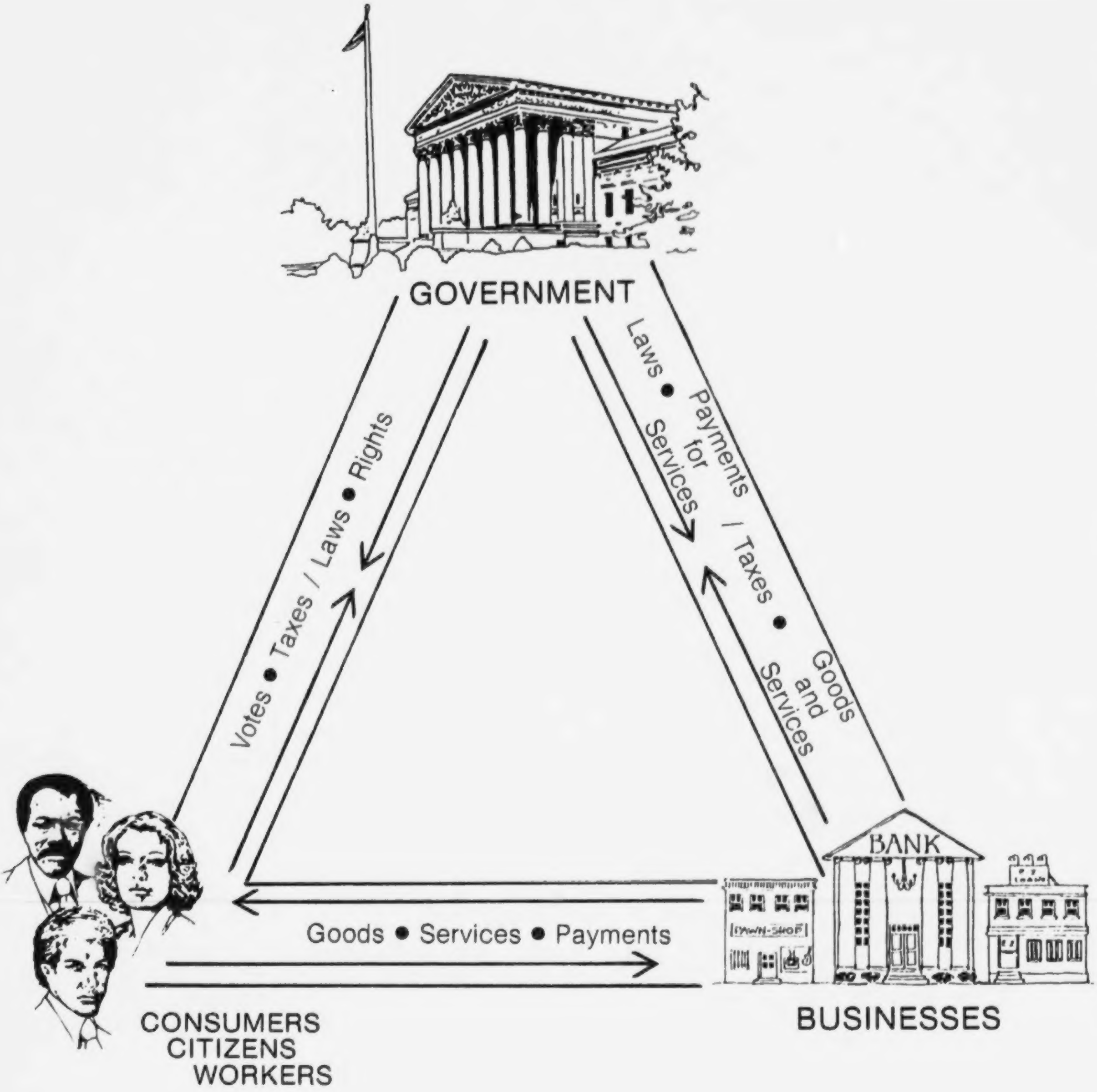
CONSUMER'S NAME
CONSUMER'S PHONE NUMBER



CONSUMER'S NAME
CONSUMER'S STREET ADDRESS
HOMETOWN, HOMESTATE ZIP CODE

NAME OF DEALER OR SERVICE AGENT
COMPANY NAME
STREET ADDRESS
CITY, STATE ZIP CODE

CONSUMER REPRESENTATION


GOVERNMENT
Votes • Taxes / Laws • Rights
Laws • Payments for Services / Taxes • Goods and Services
Goods • Services • Payments
BANK
PAWN-SHOP
CONSUMERS
CITIZENS
WORKERS
BUSINESSES

FIGURING INCOME

1. Gloria's weekly pay is $295. Deductions total $59.60. What is Gloria's net pay?

2. Xavier is delivering the morning newpaper seven days a week and he receives a commission of $.10 a paper. There are 100 persons on his route. What is Xavier's straight commission for one week?

3. Bill worked 48 hours this week. All work over 40 hours is considered overtime at the time and half rate. Bill's regular pay is $10.00 per hour. a. How much overtime has Bill worked? b. What was Bill's overtime pay for the week? c. What is Bill's gross pay?

4. Julie works 8 hour days and is paid $10.00 an hour. Anything over 8 hour days is considered overtime at time and a half. Last week Julie worked: Monday-10 hours, Tuesday-8 hours, Wednesday,-10 hours, Thursday-8 hours, Friday-8 hours. a. What is Julie's regular-time pay for the week? b. What is Julie's overtime pay for the week? c. What is Julie's gross pay for the week?

5. Karen is paid a 20% commission on the cosmetics she sells door-to-door. Karen has sold $1,500 worth of cosmetics this week. a. What is the decimal rate to figure the commission? b. How much commission will Karen receive?

6. Kevin is paid $6.50 per hour with double time pay on Saturdays. Kevin has worked a forty hour week for two weeks, and a total of 10 hours on Saturday. a. What is the double time pay rate for Kevin? b. What is Kevin's double time pay for the two week period? c. What is Kevin's gross pay for the two week period?

7. This month Sally worked 160 hours at regular pay which is $9.00 an hour. Sally has also worked 8 hours at double time pay and 10 hours at time and a half. What is Sally's gross pay for the month?

8. Willie's gross pay is $1,394.50 a month. For the year, Willie's employer had deducted $2,651 for withholding tax, $1,121.18 for social security tax, $117 for insurance and $168 for contributions. What was Willie's net pay for the past year?

9. Sam's regular pay is $6.40 an hour. He has worked 40 hours at regular time and 40 hours at time and a half. What is Sam's gross pay for the week?

10. Dominick is paid a salary of $200 a week. He receives a commission of 2% on sales above a quota of $6500.00 a week. Last week Dominick's sales were $8,000.00. What was his total gross pay for the week?

11. Franko works in a factory that pays $.75 for each item produced. Franko was ill and worked: Monday-0, Tuesday-4 hours, Wednesday-8 hours, Thursday-8 hours, Friday-0 hours, Saturday-4 hours. He completed 58 items. What is Franko's gross piece-rate pay for the week?

12. Jill was looking overher time sheet which read: Monday-8 hours, Tuesday-8 hours, Wednesday-6 hours, Thursday-5 hours, Friday-8 hours, Saturday-10 hours. She is paid $5.60 per hour for a 40 hour week and time-and-a half over 40 hours. Jill's deductions total $87.00. a. What is Jill's net pay? b. What is Jill's gross pay?

DISTRIBUTION OF INCOME ON THE BASIS OF AGE

	Age of Head-of-Household (Percent Earning Income within Ranges				
Annual Wage or Salary Income	14 to 34	35 to 44	45 to 54	55 and Over	Total
$ 5,999 and Below	16.0%	9.7%	10.7%	35.0%	20.9%
6,000 to 7,999	8.1	5.0	5.0	11.2	8.2
8,000 to 9,999	9.3	5.6	5.4	8.4	7.7
10,000 to 11,999	9.5	5.9	5.6	6.7	7.2
12,000 to 14,999	14.0	10.9	8.9	8.7	10.7
15,000 to 24,999	31.6	23.9	31.5	17.3	16.0
25,000 to 49,999	10.9	3.2	28.7	1.9	2.1
50,000 and Over	0.6	3.2	4.2	1.9	2.1
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Average Income	$14,622	$20,101	$21,537	$12,949	$16,100

Adapted from data in U.S. Bureau of the Census, Washington, D.C., U.S. Government Printing Office, 1984.

YEARS OF SCHOOL COMPLETED
AND INCOME RECEIVED

TOTAL MONEY INCOME	TOTAL	Years of School Completed by Householder											MEDIAN YEARS OF SCHOOL COMPLETED
		ELEMENTARY			HIGH SCHOOL			COLLEGE					
										4 YEARS OR MORE			
		TOTAL	LESS THAN 8 YEARS	8 YEARS	TOTAL	1 TO 3 YEARS	4 YEARS	TOTAL	1 TO 3 YEARS	TOTAl	4 YEARS	5 OR MORE	
TOTAL	78,223	13,165	7,125	6,039	36,628	10,236	26,390	28,430	12,088	16.342	8,648	7,694	12.6
UNDER $2,500.	2,124	575	368	206	1,089	404	686	459	242	217	122	96	12.1
$2,500 to $4,999. . . .	5,113	2,218	1,353	866	2,308	1,098	1,210	586	371	216	115	100	9.9
$5,000 to $7,499. . . .	5,966	2,154	1,205	949	2,940	1,290	1,650	872	553	319	187	132	10.8
$7,500 to $9,999. . . .	4,931	1,539	858	681	2,507	979	1,528	885	495	389	254	135	11.8
$10,000 to $12,499. . .	5,423	1,403	802	601	2,859	894	1,965	1,160	700	460	276	184	12.2
$12,500 to $14,999. . .	4,741	981	504	477	2,465	744	1,722	1,295	747	548	318	230	12.4
$15,000 to $17,499. . .	4,918	838	456	382	2,533	667	1,866	1,547	751	796	473	322	12.5
$17,500 to $19,999. . .	4,449	626	303	323	2,370	600	1,770	1,453	738	714	415	300	12.6
$20,000 to $22,499. . .	4,766	624	298	326	2,464	598	1,867	1,678	798	879	471	408	12.6
$22,500 to $24,999. . .	4,074	409	193	216	2,043	476	1,567	1,623	787	837	483	354	12.7
$25,000 to $27,499. . .	4,182	391	174	219	2,139	488	1,650	1,653	759	893	520	373	12.7
$27,500 to $29,999. . .	3,260	289	145	144	1,629	344	1,281	1,342	643	699	408	291	12.8
$30,000 to $32,499. . .	3,491	212	91	121	1,690	321	1,369	1,587	681	907	513	394	12.9
$32,500 to $34,999. . .	2,627	185	74	110	1,142	217	925	1,300	568	733	371	360	13.0
$35,000 to $37,499. . .	2,640	134	68	66	1,217	250	967	1,288	534	754	417	337	13.0
$37,500 to $39,999. . .	2,001	131	47	84	865	162	703	1,006	416	589	319	270	13.0
$40,000 to $44,999. . .	3,568	151	63	88	1,522	249	1,273	1,895	650	1,245	672	574	13.5
$45,000 to $49,999. . .	2,591	106	39	66	985	151	834	1,501	507	993	509	486	14.2
$50,000 to $59,999. . .	3,155	114	50	63	989	188	801	2,052	564	1,489	721	767	15.2
$60,000 to $74,999. . .	2,149	49	18	31	539	66	473	1,560	340	1,221	537	684	16.3
$75,000 AND OVER. . . .	2,054	36	16	20	333	50	283	1,688	244	1,444	547	897	16.8
Median Income .Dollars.	20,760	10,172	9,355	11,322	19,201	14,029	21,069	29,372	24,562	33,512	31,371	36,243	(X)
Standard Error.Dollars	96	134	161	212	132	223	143	206	229	286	297	427	(X)
Median Income .Dollars.	24,918	13,540	12,395	14,891	21,971	17,500	23,705	33,984	27,343	38,896	36,005	42,146	(X)
Standard Error.Dollars	95	133	168	210	111	182	135	187	217	271	345	421	(X)

(Taken from U.S. Bureau of Census, Current Population Reports, Series P-60, No. 142, Money Income of Housesholds, Families and Persons in the U.S.: 1982, U.S. Government Printing Office Washington, D.C., 1984, p. 31.)

PERSONAL INVENTORY

List strengths, shortcomings, job experiences, accomplishments and honors, free time interests, physical condition (health), education, and career goals. Be honest. The purpose of this activity is for individuals to see what their assets are and to see what is needed to improve in order to reach career goals.

STRENGTHS

SHORTCOMINGS

JOB EXPERIENCE

ACCOMPLISHMENTS AND HONORS

FREE TIME INTERESTS

PHYSICAL CONDITION

CAREER GOALS

PRE-TEST ON CREDIT

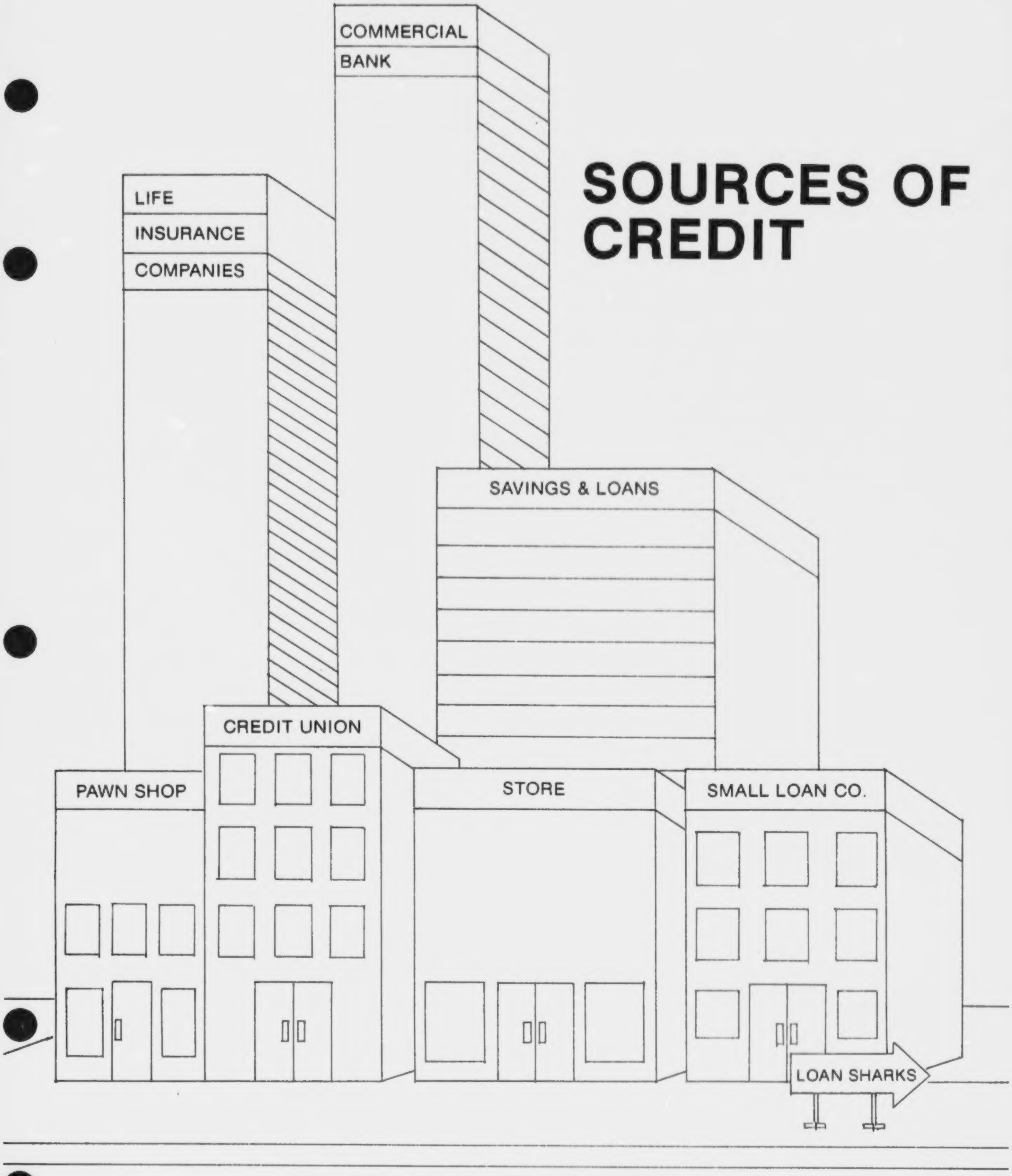
I. Please define or explain as many of the following terms as possible.

1. Service credit-
2. Revolving credit-
3. Installment plan-
4. Open account-
5. Charge account-
6. Credit union-
7. Collateral-
8. Co-signer-
9. Contract-
10. Default-
11. Bankruptcy-
12. Garnishment-

II. List the advantages of using credit.

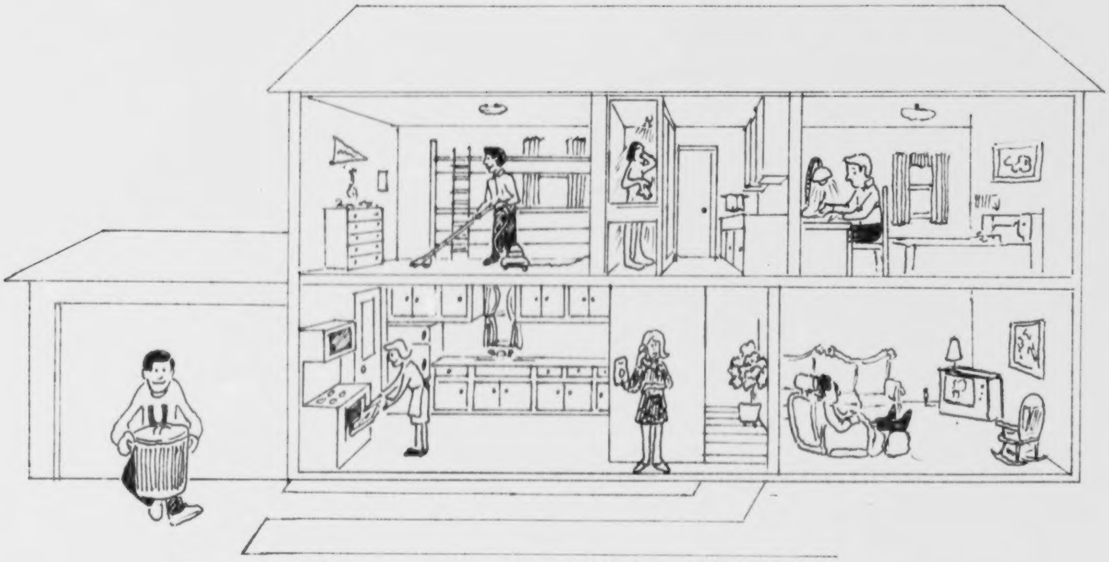
III. List disadvantages of using credit.

SOURCES OF CREDIT



SERVICE CREDIT

MANY SERVICES ARE PROVIDED AS CREDIT. SEE HOW MANY EXAMPLES YOU CAN FIND IN THE PICTURE.



SAMPLE CREDIT APPLICATION FORM

NAME______________________________ DATE______________

# OF DEPENDENTS___ SOCIAL SECURITY #__________ DATE OF BIRTH______

HOME ADDRESS (Street, City, County, State)

______________________________________ TIME AT RESIDENCE___

TELEPHONE # __________ LIVE WITH PARENTS Yes___ No___ Own___ Rent___

MORTGAGE PAYMENT OR RENT $______ MORTGAGE HOLDER OR LANDLORD_______
REAL ESTATE TITLE
IN NAME____________________ ADDRESS OF MORTGAGE HOLDER
OR LANDLORD________________

PREVIOUS ADDRESS ___________________________ HOW LONG________

NEAREST RELATIVE _______________________ RELATIONSHIP________

EMPLOYER _________ TELEPHONE # _____ DATE OF EMPLOYMENT________

ADDRESS ________________________ POSITION __________________

PERMANENT___ TEMPORARY___ FULL-TIME___ PART-TIME___ SALARY $_______

PREVIOUS EMPLOYER _____________________ HOW LONG______________

ADDRESS __________________________ POSITION ________________

STARTING SALARY $_____ ENDING SALARY $_____ REASON FOR LEAVING______

BANK_________ ADDRESS__________ CHECKING_________ SAVINGS________

LOAN AMOUNT $___________ # OF PAYMENTS ______ AT $________ MONTH

CAR LOAN _____________________ AMOUNT_______ PAYMENT __________

OTHER INSTALLMENTS _____________ AMOUNT_______ PAYMENT __________

____________________________ AMOUNT_______ PAYMENT __________

CHARGE ACCOUNTS ____________________________ AMOUNT $__________

____ AMOUNT $__________

PERSONAL REFERENCE ___________________ HOW LONG KNOWN__________

THE PRECEDING STATEMENT IS A TRUE AND ACCURATE ACCOUNT OF MY FINANCIAL STATUS.

SIGNATURE__________________________ DATE_______

SHOPPING FOR MONEY?

These are some sources of credit. Circle the familiar ones.

Bank

Finance company

Savings and loan company

Credit union

Charge card

Pawn shop

Illegal lender

Friend or relative

Life insurance policy

Name one large purchase to be made in the next year. ____________________
Where could one shop for money to make this purchase if credit is used and why use that particular source? ______________________________________

____

____

SOURCES OF CREDIT

John and Mary Martinez have worked hard to keep a good credit rating. It was once threatened, though, after Donna, their second child, was born. John was laid off his job as a construction worker for four weeks during some unusually bad weather. John and Mary had just purchased a new washing machine and couldn't meet the payments that month. John contacted the store where they purchased the washing machine and explained what had happened. The store agreed to reduce the payments to what they could afford to pay until the crisis was over. The Martinez's credit rating was saved and now the washing machine is paid for.

John and Mary would like to purchase a new clothes dryer. Where would you advise them to shop for credit? Which would be the least expensive source?

Mary Martinez's friend, Betsy Turner, isn't as fortunate as John. Betsy's husband, Mike, doesn't have a good credit rating. Mike and Betsy have purchased $3,000 of merchandise on credit. This included furniture for the house they rented when they outgrew their old apartment, a TV, clothes and even some toys for their children at Christmas. Then Betsy had an accident at work and couldn't work for four months. Mike's part-time job was not enough to support the family so they had to go on welfare and could not afford to make any credit payments. The furniture and TV were eventually repossessed. Betsy is working again and they still owe a lot of money.

Where could Mike and Betsy borrow money to pay off all their debts and reduce their monthly payments? Will the interest be more or less than at a bank? Why?

Mike's neighbor, Joe Bell has never used credit. Joe and Susan have always paid cash or done without. Now their son, Robert, wants to go to trade school. Joe wants his son to learn a trade so he can get a good job, and Robert can work part-time to help pay his expenses.

The Bell's have a small savings at the credit union where Joe works. It isn't big enough to pay for the trade school. If the Bell's use their savings, they will have nothing for emergencies. Joe decides they must borrow the money.

Where could the Bell's borrow money for Robert to go to trade school? Would they be a good risk?

SALES CREDIT

John and Jane Archer want to buy a TV set for the family. What type of sales credit might they choose?

Tom Armstrong wants to visit his mother in San Antonio during his summer vacation. He doesn't want to take a lot of money with him, but he will need to buy gas at least twice on the way. What type of sales credit might he use?

Mary Brown's son, Johnny, has outgrown his last winter's coat. Mary had thought it would do another year and did not make plans for a new coat, so she has saved no money for one. What type of sales credit could Mary use to buy the coat so Johnny can wear it while she pays for it?

Sue Carpenter has found a coat on sale which would be a good choice for her father, who is retired. Mr. Carpenter won't need the coat for several months and Sue isn't sure she can make regular payments for it. What type of sales credit might she use, so her father will have the coat when winter comes?

CASH CREDIT

Kenneth Davis does seasonal work as a farm hand. Sometimes the family has a lot of money, sometimes only a little. Kenneth must drive to his jobs, but the old car will not last much longer without a lot of repair. He had decided that it would be good to buy a used car to replace the old one. What type of loan might be best for Kenneth?

The Evans family has outgrown their small apartment. They have decided they would like to buy a home, so the two children will have a place to play. They have saved enough money for a small down payment. What type of loan would they get to pay the rest?

Stanley Fry needs an operation that will take more than the Fry's savings. Ellen has a steady job with a small amount of money left after expenses are paid each month. What type loan could the Frys get to pay for Stanley's operation?

Trent and Brenda Baker have recently had to place Brenda's mother in a nursing home. Brenda's mother did not have any savings. Trent and Brenda have good jobs with good incomes, however they had not prepared financially for this situation. They can begin saving now for later expenses but what kind of loan would be best to pay for immediate expenses?

SERVICE CREDIT

Jesse Gonzales brags that he has never used credit of any kind. Do you think this is true? What type of credit may Jesse use without realizing that he is using credit?

COMPUTING THE COST OF CREDIT

COST OF CREDIT

= Monthly Credit Payment x Number of Months + Down Payment - Cash Price

$ 300	Monthly Credit Payment
x 12	Months
$ 3,600	
+ 150	Down Payment
$ 3,750	Total Price
-1,700	Cash Price
$ 1,050	Total Cost of Credit

HOW MUCH DOES IT COST TO USE CREDIT

Use this example to learn how to figure the dollar cost of credit: You want to buy a refrigerator. It would cost $290 (price plus tax) if you paid cash for it. You plan to make a down payment of $30. You say you will make 18 monthly payments of $16.50 each.

STEP 1

Multiply the amount of each payment by the number of payments.

$$\begin{array}{r} \$\ 16.50 \\ \underline{\times\ \ 18} \\ 13200 \\ \underline{1650} \\ \$\ 297.00 \end{array}$$

STEP 2

Add any other charges and the down payment to your answer. This gives the total amount you will pay.

$$\begin{array}{r} \$\ 297.00 \\ \underline{+30.00} \\ \$\ 327.00 \end{array}$$

STEP 3

Subtract the cash price from the "on time" price.

This is how much more you pay to buy "on time."

$$\begin{array}{r} \$\ 327.00 \\ \underline{-290.00} \\ \$\ \ 37.00 \end{array}$$

Figure the cost of financing new furniture costing $304. cash with a down payment of $64. Monthly payments are $27.50 each for 1 year.

($27.50 x 12 = $330.00 + $64.00 = $394.00 - $364.00 = $30.00)

Figure the cost of financing a TV set with a cash price of $250. and a down payment of $25. You will pay 11 monthly payments of $20.60 each and 1 of $20.90.

(11 x $20.60 = $226.60 + $20.90 = $247.50 + $272.50 - $250.00 = $22.50)

From *How to Figure the Dollar Cost of Credit*. Washington, D.C.: U.S. Government Printing Office, April, 1968.

FIGURING THE COST OF CREDIT

STEP 1
Multiply the amount of each payment by the number of payments.

STEP 2
Add any other charges and the down payment to your answer. This gives the total amount you will pay.

STEP 3
Subtract the cash price from the "on time" price. This is how much more you pay to buy "on time."

From How to Figure the Dollar Cost of Credit. Washington, D.C.: U.S. Government Printing Office, April, 1968.

HOW TO FIGURE THE ANNUAL PERCENTAGE RATE

Since the Truth in Lending Act became effective, lenders are required to state the true annual interest rate, known as the annual percentage rate, to the credit seeker. However, one may not be protected in every credit transaction. Knowing how to compute the annual percentage rate will be helpful.

The following formula can be used to compute the annual percentage rate.

$$APR = \frac{2\ MI}{P\ (N + 1)}$$

APR = Annual Percentage rate
M = Number of payments per year (12 if monthly)
I = Interest charge in dollars or dollar cost
P = Unpaid balance, or principal, of the loan
N = Total number of payments to be made

This formula has been broken down into 6 steps to make it easier to learn. Work through the steps to figure the annual percentage rate for the example below. This is the same example used to figure the dollar cost of credit.

EXAMPLE: You want to buy a refrigerator. It would cost \$290 (price plus tax) if you paid cash for it. You plan to make a down payment of \$30. You say you will make 18 monthly payments of \$16.50 each.

STEP 1
Multiply the number of payments per year by 2. 2 x 12 = 24

STEP 2
Multiply the answer to Step 1 by the dollar cost of credit. In this case, the dollar cost (\$37) has already been computed on Teaching Aid 115. 37 x 24 = 888

STEP 3
Add 1 to the total number of payments to be made. 18 + 1 = 19

STEP 4
Subtract any down payment or trade-in allowance from the cash price of the item. This gives you the unpaid balance, or principal, of the loan. 290 - 30 = 260

STEP 5
Multiply the answer to Step 3 by the answer to Step 4. 260 x 19 = 4940

STEP 6
Divide the answer to Step 2 by the answer to Step 5. 888 - 4940 = 18% APR

FIGURING THE ANNUAL PERCENTAGE RATE

STEP 1
Multiply the number of payments per year by 2. ______________

STEP 2
Multiply the answer to Step 1 by the dollar cost of credit. ______________

STEP 3
Add 1 to the total number of payments to be made. ______________

STEP 4
Subtract any down payment or trade-in allowance from the cash price of the item to get the principal of the loan. ______________

STEP 5
Multiply the answer to Step 3 by the answer to Step 4. ______________

STEP 6
Divide the answer to Step 2 by the answer to Step 5 to get the annual percentage rate. ______________%

CREDIT COST COMPARISON

A revolving charge account enables a customer to charge up to a stated limit. The customer pays a certain amount on his account each month. Interest is charged on the unpaid balance. Although most businesses charge a similar monthly rate, the actual credit will vary depending on how the customer's monthly balance is determined. Three common methods are to use the previous balance before any payments have been deducted, the adjusted balance after deducting payments, or the average daily balance on the account. Actual charges for these three methods are compared below.

	Previous Balance	Adjusted Balance	Average Daily Balance
Beginning Balance	$300	$300	$300
Payments	$100	$100	$100
Closing Balance	$200	$200	$200
Monthly Rate	1.5%	1.5%	1.5%
Actual Credit Charge	$4.50 (.015 x $300)	$3.00 (.015 x $200)	$3.75 (.015 x $250)

*Assuming that payment was made in the middle of the month, the average daily balance would be $250.

Should Credit Be Used?

Consider these questions before buying on credit or borrowing money.

1. Does one need it?
2. Does one need it now?
3. Is having it now worth the extra money one must pay to use credit?
4. Can one make the payments?
5. Will one pay too much interest?
6. What good will it do personally?
7. What will one go without to pay for it?
8. Is it worth the risk of losing the money put into it if one can't finish paying for it?
9. Is one buying (or borrowing) from a fair and honest person?
10. Should one risk owing so much money when one won't be able to get more if sickness or an accident occurs?

Think about the answers. Is it best to use credit or to wait until cash can be paid?

Remember. . .

> Make sure there are more and better reasons for using credit than for not using it.

RESPONSIBILITIES OF CREDIT USERS AND CREDITORS

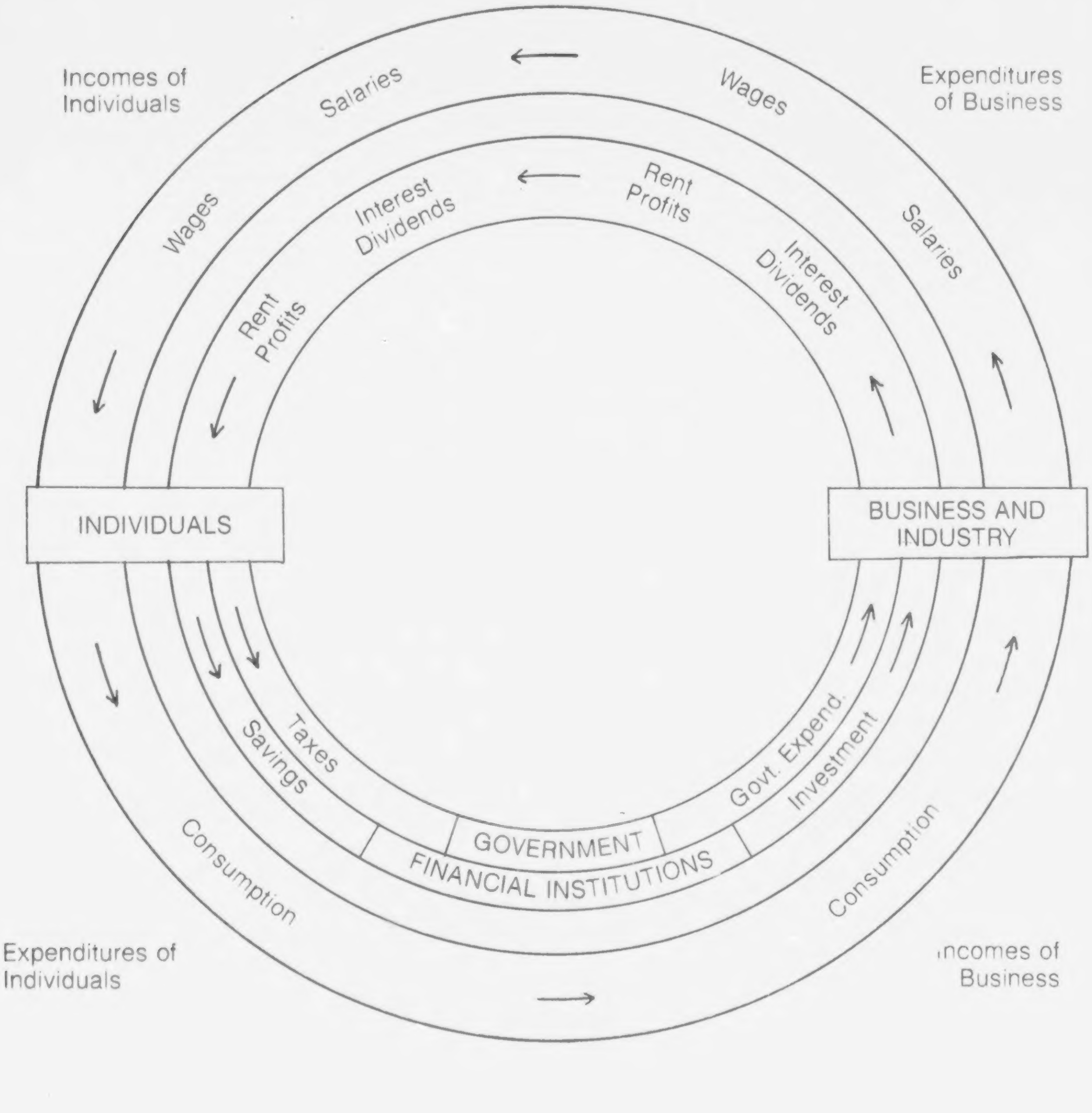
Responsibilities of Credit Users:

1. Do not borrow unless it is necessary and will enable one to make money.
2. Think of one's overall financial state and one's ability to repay before signing a credit agreement.
3. Know how much extra money it is going to cost in interest.
4. Shop for the lowest annual percentage rate.
5. Compare the cost of interest to other things one could do with the money.
6. Do not let easy credit cause one to buy things one would not otherwise consider buying.
7. Borrow the smallest amount needed, not the most the lender or dealer will loan.
8. Know what one is doing and signing. Read carefully any contract that must be signed and be user that it is understood.
9. Be aware of the promises one makes in signing any credit agreement.
10. Pay on time according to the terms of the contract.
11. Let the creditor know if, for any reason, one cannot meet the payment.
12. Pay the late charge written in the contract for late payments.
13. Accept the penalty outlined in the contract for failure to fulfill the promise.

Responsibilities of the Creditor:

1. Look into the credit customer's ability and willingness to repay before giving credit.
2. State credit terms clearly and correctly to fellow laws controlling the giving of credit.
3. Write in all credit terms before the contract is signed.
4. Give the credit customer a copy of the contract.
5. Take early payment and return the part of interest charges that apply to the early payment and time paid early.
6. Pass on the customer any money over the amount owed on any item after repossession and sale of property or collateral.

CIRCULAR FLOW OF MONEY IN THE ECONOMY



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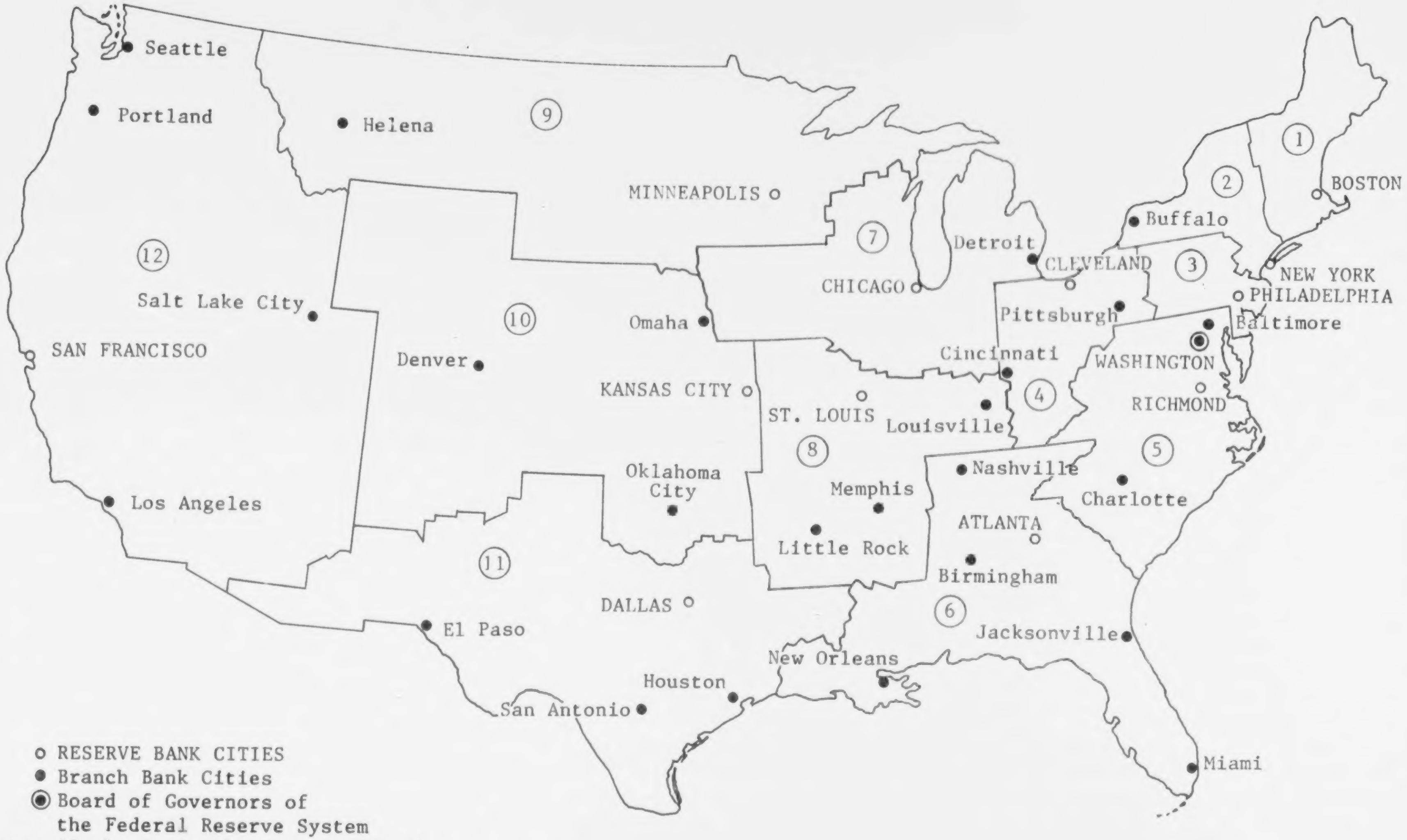
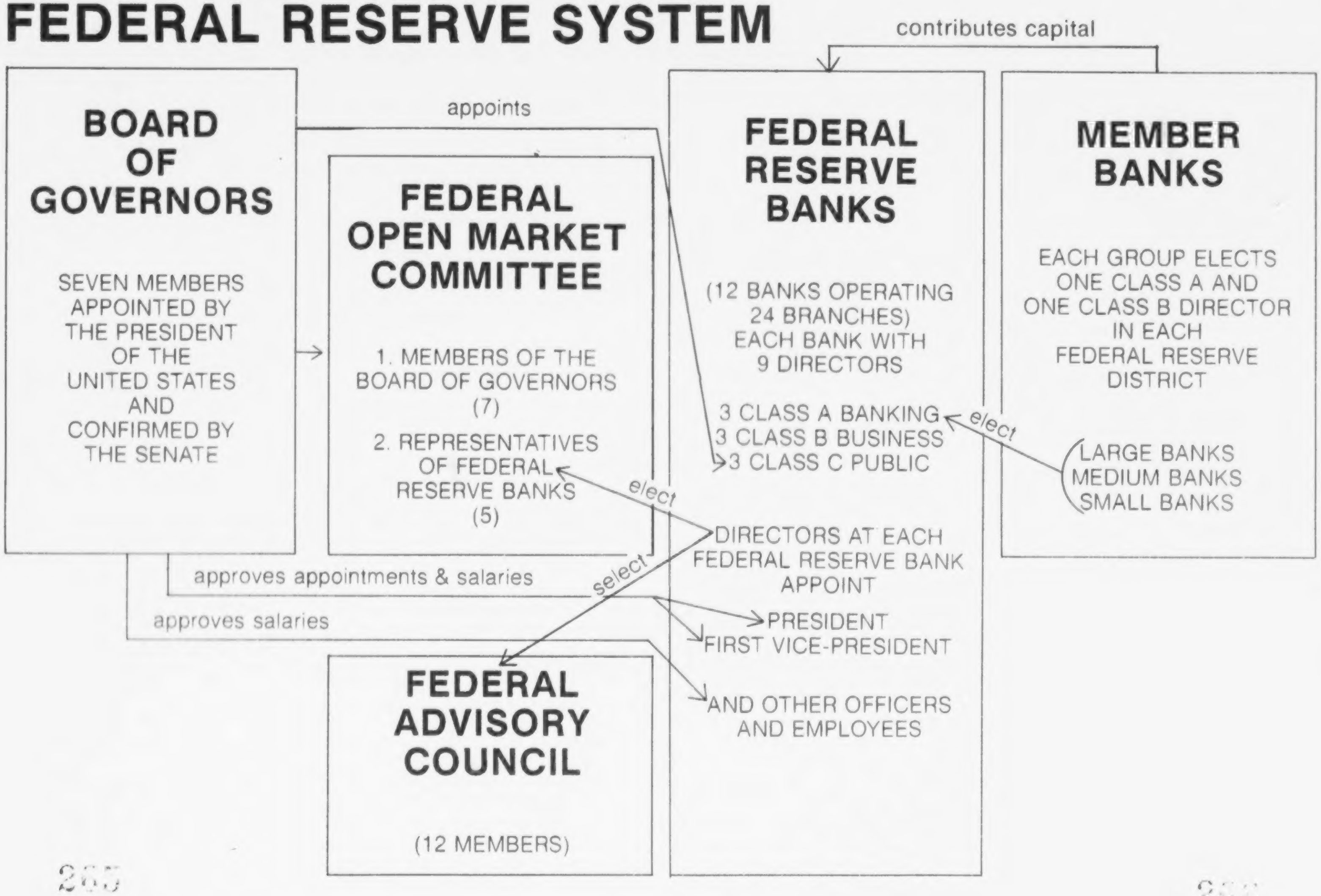
FEDERAL RESERVE MAP OF THE UNITED STATES



Note: Alaska is in the Seattle Branch Territory and Hawaii is served by the Head office of the Federal Reserve Bank of San Francisco. Both are in the Twelfth District.

ORGANIZATION OF THE FEDERAL RESERVE SYSTEM



BOARD OF GOVERNORS

SEVEN MEMBERS APPOINTED BY THE PRESIDENT OF THE UNITED STATES AND CONFIRMED BY THE SENATE

FEDERAL OPEN MARKET COMMITTEE

1. MEMBERS OF THE BOARD OF GOVERNORS (7)
2. REPRESENTATIVES OF FEDERAL RESERVE BANKS (5)

FEDERAL ADVISORY COUNCIL

(12 MEMBERS)

FEDERAL RESERVE BANKS

(12 BANKS OPERATING 24 BRANCHES) EACH BANK WITH 9 DIRECTORS

3 CLASS A BANKING
3 CLASS B BUSINESS
3 CLASS C PUBLIC

DIRECTORS AT EACH FEDERAL RESERVE BANK APPOINT

PRESIDENT
FIRST VICE-PRESIDENT
AND OTHER OFFICERS AND EMPLOYEES

MEMBER BANKS

EACH GROUP ELECTS ONE CLASS A AND ONE CLASS B DIRECTOR IN EACH FEDERAL RESERVE DISTRICT

LARGE BANKS
MEDIUM BANKS
SMALL BANKS

SIGNATURE CARD

Authorizing Resolution

This certifies that on __________day of________, 19___, a meeting of the directors of ____ adopted a resolution authorizing those officers whose names appear on the reverse side of this card to sign checks against funds of the corporation in The National Bank of Lubbock, Lubbock, Texas.

______________________________ ______________________________
Secretary President

Account Information

Occupation or business ______________________________________
Business Address________________________________Tel.________________
Resident Address________________________________Tel.________________
Date Opened___________Account Accepted by_________Amount $_____________
Other Information____

(Front)

DEPOSITOR'S CONTRACT AND SIGNATURE CARD

DATED Account Number
______________________________ ______________________________

The Bank is authorized to recognize any of the signatures subscribed below in payment of funds or the transaction of any business for this account; and I/we further agree to the terms of the Depositor's Contract as printed on this card.

TYPE OF ACCOUNT Individual Joint Partnership
Corporation_____________________________________

Signature Signature

______________________________ ______________________________

______________________________ ______________________________

Social Security or Tax I.D. Number__________________________

(Back)

STEPS IN WRITING A CHECK

1. If your checks are not numbered, number them in consecutive order.

2. Using ink, date the check the day it is written. Do not date checks ahead. Never write a check in pencil or erasible ink.

3. Write clearly the name of the person or business to whom payment is to be made.

4. Write the amount of the check in figures close to the dollar sign.

5. Write the amount of the check in words. Begin very close to the beginning of the line on the left. Check to be sure you have written the same amount in figures and in words. If any space remains after the amount is written in words, draw a wavy line to the word dollars at the end of the line.

6. Sign your name exactly as you signed it on the bank's signature card when you opened your account. Never sign a blank or partially filled out check. Never make corrections on a check. If you make a mistake, write a new check. Tear up and throw away the one that is wrong.

7. If space is provided in the lower left hand corner of the check, write what the check is for.

CHECKS

No. 421

March 13, 19__

Pay to the Order of Lemmon's Department Store $19.64/xx

Nineteen Dollars and 64/100 Dollars

CITY NATIONAL BANK
Your City, Texas

Susan K. Jones

12-96-40101

Plain Check
(usually presented when opening an account)

Printed Check

SUSAN K. JONES
114 Carden Avenue
Your City, Texas 72410

No. 421

March 13, 19__

55-167
910

Pay to the Order of Lemmon's Department Store $15.22/xx

Fifteen Dollars and 22/100 Dollars

CITY NATIONAL BANK
Your City, Texas

Susan K. Jones

1:910#:176:55: 12-34-56012

STEPS IN KEEPING A CHECKBOOK REGISTER
OR CHECKBOOK STUB

1. Before writing out a check, write it down in your checkbook register (or on the check stub).

2. Write down the check number, the name of the person or business to whom the check was given, and the amount of the check.

3. Subtract the amount of the check from your balance.

4. When you make a deposit, write the date and the amount of the deposit in your checkbook register, and add the amount of the deposit to your balance.

5. To avoid making mistakes, subtract the amount of each check as soon as it is written, and add the amont of your deposits as soon as they are made.

Checkbook Register

Check No.	Date	Check Issued To	Amount of Check		✓	Date Dep.	Amount of Deposit		Balance
									232.19
119	6/7	Harmon's Shoe.	15	69					216.50
120	6/9	VISA	25	00					191.50
121	6/10	Dr. M. Lindsey	12	00					179.50
122	6/18	Crafts, Inc.	13	92					165.58
	6/18	deposit — payroll				6/18	160	00	325.58

Checkbook Stub

No. 123 $12.50
Date June 21
To Budgeting Mag.
For Subscription

	Dollars	Cents
Bal. Fwd'd	165	58
Dep.	160	00
Total	325	58
This Check	12	50
Bal. Fwd'd	313	08

THE NATIONAL BANK OF ANYTOWN
Anytown, Any State 99999

No. 123

83-24
1011

June 21 19__

Pay to the Order of Budgeting Magazine $12.50

Twelve Dollars and $\frac{50}{100}$

Member
Federal Reserve
System

James Anybody
James Anybody
333 Any Street
Anytown, Any State 99999

1011#00241::0092-631

PROTECT THE CHECKING ACCOUNT

Individuals lose billions of dollars to forgers. Careful check writing habits can help protect individuals from forgers.

The signature and number on personalized checks are keys to the bank account. Once the checking account signature becomes available to a forger, so does the balance in the account. Use a clear, legible signature when signing checks. Plain, easy-to-read signatures are more difficult to forge than embellished, illegible handwriting. The printed number on the personalized check is read by the computer to expedite the sorting of checks.

One's usual signature can be easily obtained, so use a different signature for banking than for other types of correspondence and business. If the usual signature is Jane Jacobs, the banking signature might be Jane C. Jacobs.

If imprinted checks are used, they might read J. C. Jacobs, but be signed Jane C. Jacobs. A forger would be likely to assume that the signature would match the check imprint and forge incorrectly. The bank should catch the inconsistency and return the check stamped "irregular signature." The signature on the check must match the signature on the signature card signed when the account was opened.

When checks are to be mailed, cover the signature by folding the check or placing it inside a piece of paper. Store cancelled checks properly to protect the signature.

Print or write the amount on the dollar line. Printed block style letters are the most difficult to alter. The numerical figure on the check is the amount the bank will use in withdrawing money from the account.

In making out checks, use an ink pen or a ball point pen. Do not sign checks with a lead or dry indelible pencil or erasable ink. Be careful when signing checks in a checkbook because heavy pressure will imprint the signature on the next check. If the checkbook was lost, the signature could be copied from the imprint.

Never sign a blank check. Wait until the check is complete filled in before signing. If a signed check is lost, the finder could fill in any amount, and the signature would be valid.

When making out checks, always fill in the name of the person or firm to whom the check is being written.

Abbreviations are easy to alter. It is best to write out individual or business names fully.

Extend each entry to the full width of the line allotted. If necessary, draw a line or use dashes to completely fill the space. Additions or alterations can be placed in empty spaces.

Keep current with the correct balance in your checking account. This helps prevent checks from being written on insufficient funds.

Be sure a bank statement is received regularly. If the statement is late, call the bank to determine if it was mailed. A forger can copy the signature on the cancelled checks which are enclosed with the bank statement.

Be careful with checks and a checkbook. *Do not* leave a checkbook lying arount on the car seat, stuck in the visor of the car, etc.

The forger has devised many skillful ways of obtaining money illegally. Using caution wiht checks and signatures will keep his hand out of your bank account!

RECONCILING A CHECKING ACCOUNT WITH A BANK STATEMENT

The depostor should reconcile the monthly bank statement against the checkbook balance using the following steps:

1. Arrange all cancelled checks in numerical order.

2. Compare the cancelled check with the stub or check register to make sure the amounts agree, placing a large check mark beside the check entry in the register. List the numbers and amounts of checks that have not been returned by the bank. Record the total amount of the unpaid checks on the bank statement in the reconciliation box.

3. Subtract bank service charges from the checkbook balance.

4. Subtract the total of the outstanding checks (step 2) from the new balance on the bank statement.

5. Add to the balance any deposits shown in the checkbook but not listed on the bank statement.

6. Compare the new balance on the statement to the balance in the checkbook. The balances must agree.

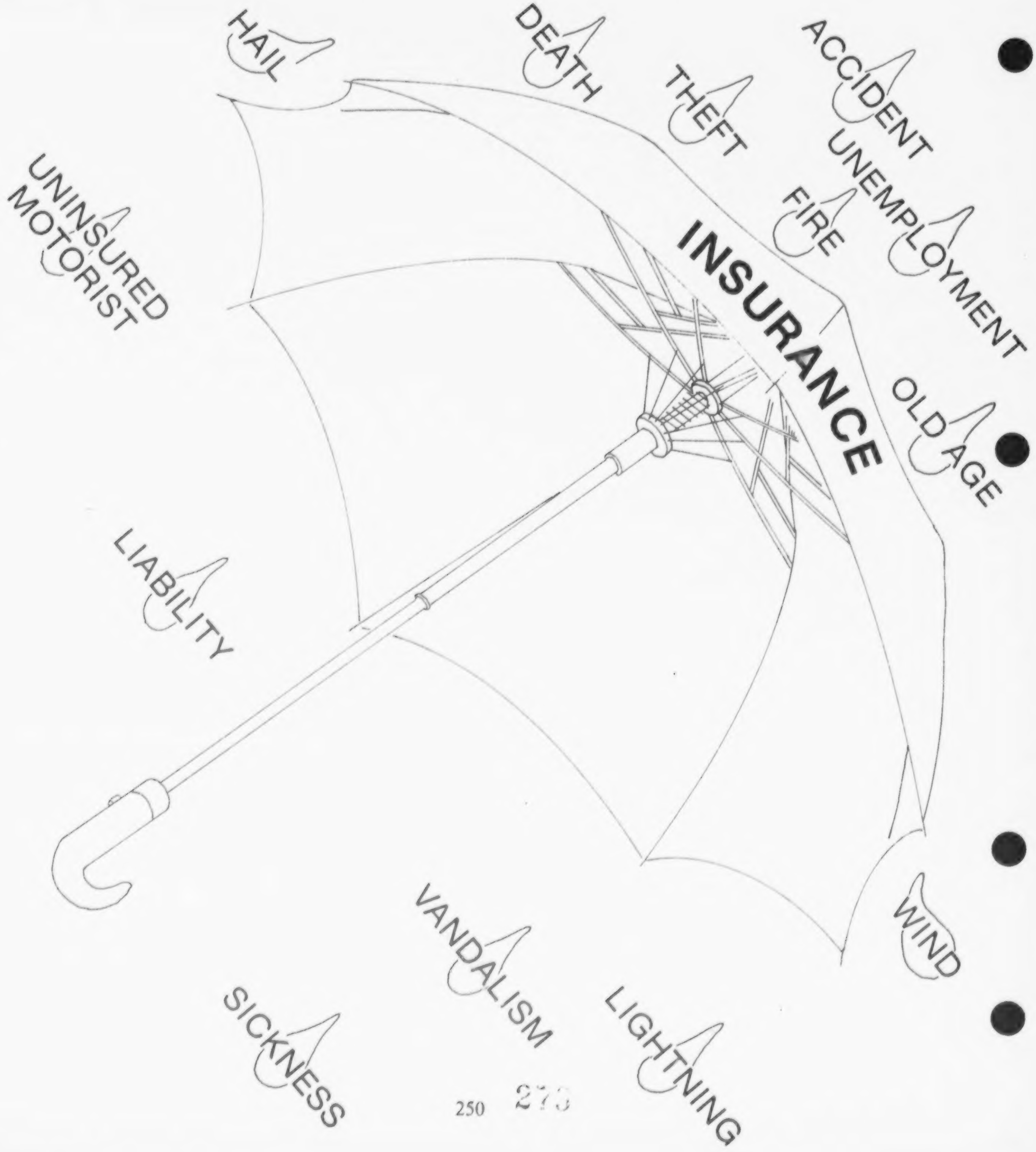
7. Record the reconciliation in the checkbook. Be sure to change the checkbook balance if the reconciliation has turned up an error.

8. File cancelled checks for future reference. The Internal Revenue Service requires that they be kept for three years to support income tax reports. For legal purposes they need to be kept for six years.

Most banks provide reconciliation worksheets on the back of the statement. The equation below illustrates the reconciliation process.

Balance on bank statement
Checkbook balance
Plus new deposits
Minus bank service charges
Minus outstanding checks
New checkbook balance
Adjusted statement balance

WHY IS INSURANCE NEEDED?



TYPES OF LIFE INSURANCE POLICIES

CHARACTERISTICS	TERM	ORDINARY LIFE	LIMITED-PAYMENT LIFE	ENDOWMENT
Period of premium payment	Given period of time such as 5, 10, or 20 years.	During the entire life of the insured person.	Stated period of 10, 15, 20, or 30 years, or to age 60 or 65.	Stated period of 10, 15, 20, or 30 years, or to age 60 or 65.
When policy matures	Payment made to beneficiary if insured person dies within the term period. After term expires, coverage ends.	At death of insured person.	At death of insured person or at 100 years.	At death of insured person, or at the end of the period if the insured person is still living.
Advantages	1) Maximum protection at minimum cost for stated period of time. 2) Usually may be converted to life or endowment policy without medical examination.	1) Provides lifetime protection at a constant premium rate. 2) Investment-cash value may be used as income. 3) Insured person may borrow money on the policy.	1) Premiums paid for limited time. 2) Lifetime protection provided. 3) Larger cash and loan values than ordinary life.	1) Pays a definite sum of money at the end of the period. 2) Gives insurance coverage while premiums are being paid.
Suitable for	Persons with limited incomes who need large amount of protection, especially temporary protection.	Persons who have small incomes but need to protect family for a long period of time. Persons who want a policy with a cash and loan value.	Persons whose income is likely to decrease at a certain period of time and who can afford to save more than the cost of the ordinary life insurance policy.	Persons who want to save for children's educations for future years and still have insurance in the meantime.

PROPERTY INSURANCE

HOME OWNERS

TENANTS

OTHERS

?　　　?　　　?

HOME OWNERS POLICY[*]

STANDARD FORM

Properties are insured against the following hazards:

1. Fire and lightning
2. Loss or damage to property removed from premises endangered by fire
3. Windstorm or hail
4. Explosion
5. Riot, riot involved in a strike, civil commotion
6. Aircraft
7. Vehicles, if not owned or operated by the insured
8. Sudden and accidental damage from smoke
9. Vandalism and malicious mischief
10. Theft
11. Breakage of glass which is part of the building

BROAD FORM

Covers all the above in addition to the following hazards

12. Falling objects
13. Weight of ice, snow, sleet
14. Collapse of building(s) or any part of the building(s)
15. Sudden and accidental tearing apart, cracking, burning, or bulging of a steam or hot water heating system.
16. Accidental discharge, leakage or overflow of water or steam from a plumbing, heating or air-conditioning system
17. Sudden and accidental tearing apart, cracking, burning or bulging of appliances for heating water for domestic consumption
18. Freezing of plumbing, heating and air-conditioning systmes and domestic appliances
19. Sudden and accidental injury to electrical appliances, devices, fixtures, and wiring (TV and radio tubes not included)

COMPREHENSIVE FORM

Covers all perils except: earthquake, landslide, flood, surface water, waves, tidal water or tidal waves, the backing up of sewers, seepage, war, and nuclear radiation.

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[*] Adapted from Insurance for the Home. New York, New York: Insurance Information Institute, n.d.

TYPES OF AUTOMOBILE INSURANCE

BODILY INSURANCE
LIABILITY INSURANCE

PROPERTY DAMAGE
LIABILITY INSURANCE

MEDICAL PAYMENTS
INSURANCE

UNDERINSURED MOTORIST
PROTECTION

COMPREHENSIVE PHYSICAL
DAMAGE INSURANCE

COLLISION INSURANCE

SOCIAL SECURITY BENEFITS

RETIREMENT BENEFITS

SURVIVORS BENEFITS

DISABILITY BENEFITS

HEALTH BENEFITS

CONSIDER JOB REQUIREMENTS

DIRECTIONS: Complete the chart below to compare the qualifications for the three jobs. Write the titles of the three jobs in the spaces provided in the top column. Then across from each qualification listed in the left column put one check mark to indicate which job is the best match in this category.

	Position One	Position Two	Position Three
Interests			
Aptitudes			
Education and Training			
Personal Traits			
Work Experience			
Physical Capacity			
Leisure Time Activities			
Goals			

DIRECTIONS: Explain why one will have the best chance for job success when one selects the job that is right for oneself.

INTERVIEWS

Preparing for the Interview

1. Learn all one can about the company.
2. Know what one has to offer.
3. Know why one wants to work for the firm.
4. Make a list of questions the employer is like to ask an interviewee during the interview.
5. Prepare questions to ask the employer about the job.
6. Take two black pens and a small note pad to the interview.
7. Gather, assemble, and arrange all necessary paper, including a resume.
8. Locate the place of business before the time for the interview.
9. Plan to arrive for an interview 10 minutes early.

During the Interview

1. Be yourself
2. Put your best foot forward. Be confident and poised.
3. Smile. Be pleasant and friendly but businesslike.
4. If a handshake is offered, grasp the person's hand firmly.
5. Walk, sit, and stand with correct posture.
6. Sit down, but not until invited to do so.
7. Speak clearly and answer all questions.
8. Let the employer control the interview.
9. Take you Social Security number to the interview.
10. Focus attention on one's strong points.
11. Be enthusiastic, interested, and sincere.
12. Be a good listener and do not hesitate to ask pertinent questions.
13. Present resume and other materials when the employer requests them.
14. Have two copies of the resume, one for the interviewer and one for one's own reference.
15. Control mannerisms. Don't pick at your clothes or your nails. Nervous gestures detract from your appearance.
16. Look at the interviewer.
17. If the employer indicates that you are to call or return for another interview, make a written note of time, date, and place.
18. If the employer does not indicate when a further contact will be made, ask when you may call to learn the decision.
19. Thank the employer for the interview.
20. Leave courteously and with poise.

DON'T

1. Criticize former employers or fellow workers.
2. Chew gum or candy, tobacco products, or smoke.
3. Discuss personal, family, or financial problems.
4. Carry any packages. You won't have any place to put them.
5. Put your handbag on the desk.
6. Drag on if the interview is at an end.
7. Be discouraged if the employer doesn't hire you.

INTERVIEW SELF EVALUATION

DIRECTIONS: Complete the form below as to how an interviewer might rate you if you were the applicant.

Applicant: ______________________________

EVALUATION

	Outstanding	Average	Poor	Comments
Appearance				
Grooming				
Speech				
Courtesy				
Enthusiasm				
Ingenuity				
Intelligence				
Personality				

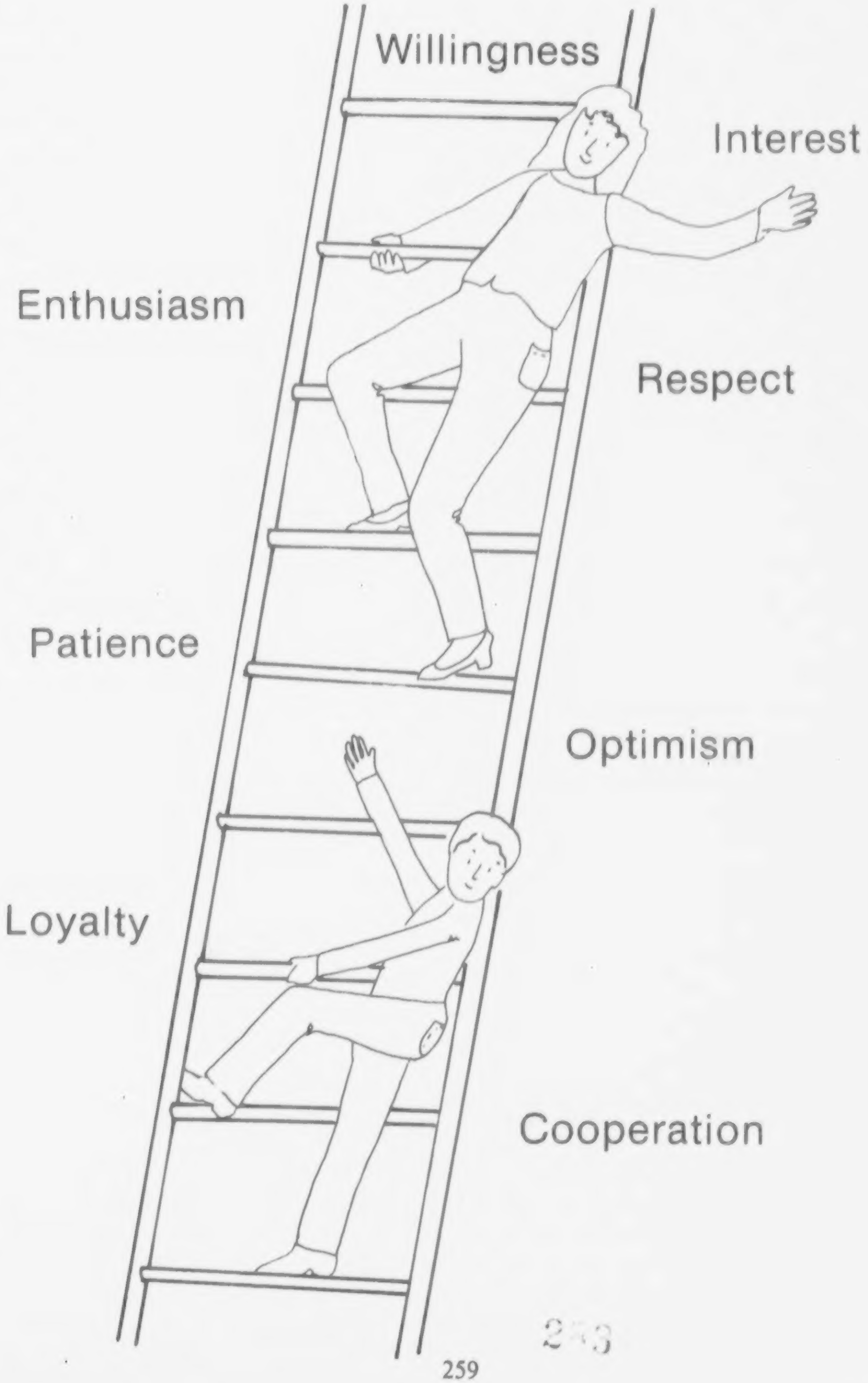
For which position is the applicant best suited? ______________

Should there be further consideration of the applicant? Yes____ No____

Remarks:

Interviewed by: ______________________ Date: ____________

ATTITUDES FOR SUCCESS



THE TEN COMMANDMENTS
(BY A WISE EMPLOYER)

First--Don't lie. It wastes my time and yours. I am sure to catch you in the end, and that will be the wrong end.

Second--Watch your work, not the clock. A long day's work makes a long day short, and a short day's work makes my face long.

Third--Give me more than I expect, and I will give you more than you expect. I can afford to increase your pay if you increase my profits.

Fourth--You owe so much to yourself and you cannot afford to owe anybody else. Keep out of debt.

Fifth--Dishonest is never an accident. Good men, like good women, never see temptation when they meet it.

Sixth--Mind you own business, and in time you'll have a business of your own to mind.

Seventh--Don't do anything here which hurts your self-respect. An employee who is willing to steal for me is willing to steal from me.

Eighth--It is none of my business what you do at night. But if dissipation affects what you do the next day, and you do half as much as I demand, you'll last half as long as you hoped.

Ninth--Don't tell me what I'd like to hear but what I ought to hear. I don't want a valet for my pride, but one for my purse.

Tenth--Don't kick if I kick. If you're worth correcting, you're worth keeping. I don't waste time cutting specks out of rotton apples.

I WANT A WORKER[1]

I WANT A WORKER...

...Who likes his job

...Who knows his job

...Who keeps himself physically fit

...Who wants to do a day's work for a day's pay

...Who wants to get ahead

...Who is always on the job unles excused

...Who is cheerful--not sullen

...Who works safely--with due consideration for himself and his fellow workers

...Who gets a bang out of a job well done

...Who tries to avoid waste and cut costs

...Who looks for a better way to do the job

...Who tells the truth; who is sincere

...Who gripes little and looks forward

...Who keeps a spirit of team work

...Who asks questions when he needs help

...Who is willing to face his personal problems squarely

...Who tries to put himself in my place now and then

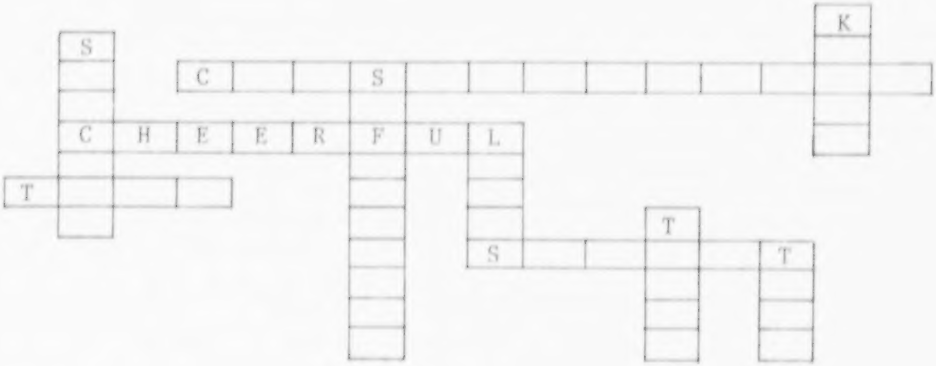
...Who feels that his job is a privilege--not a right

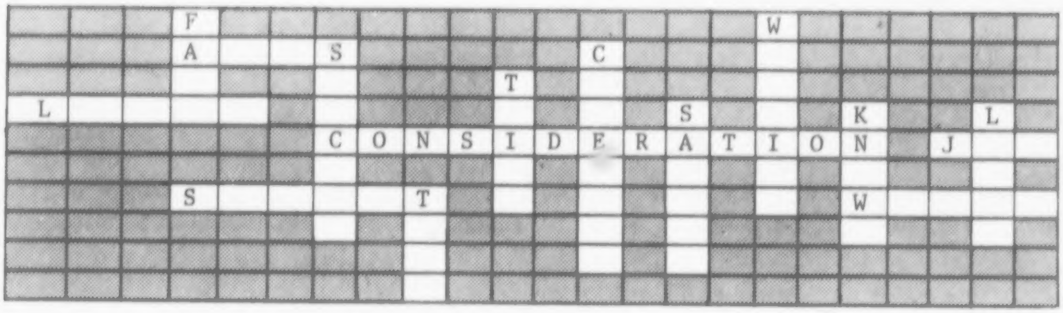
---

[1] By permission from W. Price, Texas Restaurant Association. From National Restairamt Association. Profitable Food Management Through Good Supervision. No. 3, Chicago, Illinois. pp. 35-36.

I WANT A WORKER

CROSSWORD PUZZLES





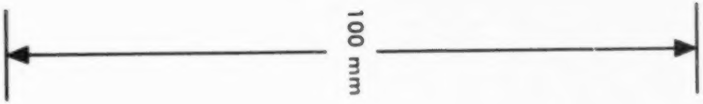
Directions: Work the crossword puzzles to identify the qualities employers may expect of their employees. The first letter of each answer is already printed on the puzzle. When working the crossword puzzle, refer to "I Want A Worker" on page 146.

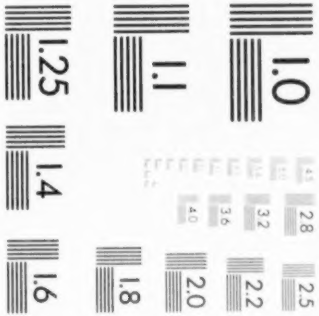
REMEMBER THIS

IF YOU WORK FOR A MAN, in Heaven's name, WORK for him. If he pays you wages which supply you bread and butter, work for him; speak well of him; stand by him and stand by the institution he represents. If put to a pinch, an ounce of loyalty is worth a pound of cleverness. If you must vilify, condemn and eternally disparage--resign your position, and when you are outside, damn to your heart's content, but as long as you are part of the institution do not condemn it. If you do that, you are loosening the tendrils that are holding you to the institution, and at the first high wind that comes along, you will be uprooted and blown away, and probably will never know the reason why.

-ELBERT HUBBARD

A5





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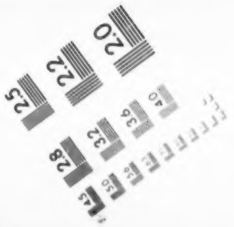
1.5 mm ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz1234567890

2.0 mm ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890



CONSUMER AND FAMILY ECONOMICS REFERENCE LIST

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